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EVENTS OF THE WEEK

MR. RAMSAY MACDONALD has addressed a personal letter to M. Poincaré, which is described as "frank and friendly." It is expected that the terms of this letter and of M. Poincaré's reply will be published shortly. Meanwhile, its significance is clear. Mr. MacDonald means to move cautiously, but he means to move at once. A very interesting account of Mr. MacDonald's attitude is contained in an interview (given before he became Prime Minister) published last Sunday in the French Radical paper "Le Quotidien," and reproduced in full by "The Manchester Guardian" on Thursday. The interview has been received with apprehension and some hostility in France; but while Mr. MacDonald spoke with welcome candour about the "anxiety" which French policy is causing us, he said nothing at which offence could legitimately be taken. Nor did he commit himself on any detailed points of policy in regard to Reparations or inter-Allied debts. But in reply to a question whether he favoured a reciprocal pact of guarantee between Britain and France, he stated emphatically that he did not believe that "a nation's security should depend on or can result from armaments or special alliances." The most striking feature of the interview was the stress which Mr. MacDonald laid on the League of Nations. "We believe that there lies salvation." Evidently, the League will now become the cornerstone of our foreign policy. Significant reports have come this week from Paris of a change in the French attitude with regard to the questions of the Palatinate and the Cologne railways. On these developments we comment elsewhere.

* * *

THE full text of the treaty between France and Czecho-Slovakia was published immediately on the signature of the document at Paris. The treaty is innocuous enough on the face of it, and the judgment passed on it will depend, to some extent, on how far stories of its origin emanating from Czecho-Slovak sources are accepted. If it is the fact that the treaty was in the first instance proposed by France, and in a very different and much more objectionable form, then its trans-

formation into the present almost superfluous instrument is in the nature of a triumph for the diplomacy of M. Masaryk and Dr. Benes. If, on the other hand, it was Czecho-Slovakia, as the "Times" suggests without quoting its authority, that took the initiative, then a different estimate must be set on the transaction. The treaty itself fulfils expectations in that it merely provides that the two parties undertake to "concert together" to preserve the arrangements created by the peace treaties, in particular regarding the Hapsburgs and Hohenzollerns and the maintenance of the present frontiers of Austria, and to submit any dispute between the signatories to arbitration. There may be some significance in the fact that simultaneously with the signature of the treaty the announcement was made of the appointment of a Czech officer as Assistant Chief-of-Staff in the Czecho-Slovakian Army, as though in preparation for the gradual reduction of the purely French staff which organized and still controls the army. There are no military clauses of any kind in the treaty, and since the document is to be registered with the League it thereby acquires a validity which no secret annexes, if there be any, could assume.

* * *

THE relation of the Italo-Jugo-Slav treaty to the Franco-Czecho-Slovakian is matter rather for speculation than dogmatism. Opinions range from the conviction that Signor Mussolini and Dr. Nintchitch have brought off a triumphant counterstroke, to the ingenious (but not incredible) suggestion that the whole affair was a skilful piece of Little Entente diplomacy, designed, with the full approval of Dr. Benes, to frustrate French aims at supremacy in Eastern Europe. Whatever its motive and origin, it is a valuable achievement if it finally settles the Fiume dispute and substitutes friendly for acrimonious relations between the two shores of the Adriatic. Unfortunately, the actual Fiume agreement, with its division between the town and the harbour, is thoroughly unsound, and it is far from certain that an arrangement made cheerfully enough by M. Pasitch, the Jugo-Slav Prime Minister, who has little concern for Croat opinion, will be accepted by a Croatian population that has

always looked to Fiume as its chief port. There is talk of a new *bloc* against the Premier, and the definite allocation of Fiume to Italy may easily precipitate it. What suits Belgrade does not necessarily suit Zagreb, and M. Raditch from his retreat in Vienna may be able to pull strings with some effect to M. Pasitch's discomfort.

* * *

THE terms on which the railway strike has been settled would seem to provide a most reasonable and justifiable modification of the National Wages Board award. That award involved a considerable loss to a number of individuals, who were asked to sacrifice at one blow from £25 to £50 a year after a long series of reductions owing to the fall in the cost of living. The loss has now been spread over a twelvemonth, which will considerably mitigate the blow. But while satisfaction may be felt from this point of view, the settlement is not so welcome in other respects. There can be no question that the whole affair should have been settled without resort to open warfare; the Associated Society deserved to lose their case for the way in which they handled it. Once a strike has taken place, however, some give-and-take becomes essential if a speedy settlement is to be reached, and the Associated Society has probably gained more than would have been secured by the N.U.R. from the companies' promise to consider individual hard cases, despite their claim to the contrary. But locomotive men may feel a little ashamed that the Society's policy has cost other workers what they can very ill afford to lose, and inflicted considerable damage to the national welfare for the sake of relatively unimportant ends.

* * *

THE railway strike was no sooner settled than the threat of a dock strike was announced. The dock employers have exhibited in the matter a pompous imbecility which it was hoped had become obsolete in industrial relations. When the dockers presented their demands the employers flatly refused any discussion or negotiation, on the ground that they were unable to concede anything at all. The unions, headed by the Transport and General Workers' Union, thereupon summoned a conference, which resolved to strike on February 16th, unless a settlement was reached in the meantime. The employers immediately climbed down and agreed to meet the unions. The negotiations requested by the men thus take place in a thoroughly prejudiced atmosphere. Forcing the men to threaten a strike in this way may well create the same sort of awkward position as was created by the recent injudicious ballot of the locomotive men's union. As to the merits of the dockers' demands, it must not be forgotten that the reduction which resulted in the stoppage last summer was caused by a drop of one point for one month in the cost-of-living index number. It went to 69 per cent. above pre-war, and the dockers by their agreement lost one shilling a day; the next month it started rising, and now one more point would give them the two shillings which they are demanding, if the old agreement had provided for wages to rise as well as fall with the cost of living. But the cost of living is, of course, only one factor in wage regulation, and the negotiations now beginning will probably largely turn on the state of trade. Moreover, as all experience since the days of "that tragedy of misdirected effort," the struggle for the "tanner" in 1889, has gone to show, the advancement of wage rates is not the key to the amelioration of the casual docker's lot.

THE Chancellor of the Exchequer, Mr. Philip Snowden, has now definitely announced that the new Ministry have decided not to dispose of the Government shareholding in the Anglo-Persian Oil Company. Since Mr. Neville Chamberlain stated, in November last, that the Royal Dutch-Burmah-Shell Combine had made an offer for these shares (which have a face value of £5,000,000 and a present market value of £13,500,000) there has been an abundance of discussion on the subject, and we imagine that there will be very general approval of the Government's decision. It will be supported, for different reasons, by the advocates of State trading, by those who dread the monopoly power of the great Trusts, and by those who are deeply impressed with the strategic importance of controlling oil supplies. The influence of oil on international politics is no more salutary than its influence on domestic politics in America; we have no desire to see Great Britain taking the lead in a scramble for concessions; but in existing circumstances there is less chance of mischief if the Government retain, at any rate for the present, their controlling interest in the Persian oil-field.

* * *

THE Report of the Sub-Committee of the Committee of Imperial Defence on National and Imperial Defence has now been published as a White Paper (Cmd. 2029). Though short, it is a document of great interest and importance, dealing with the special responsibilities of the three Fighting Services, their co-ordination both in the field of operations and in that of administration, the constitution of the Defence Committee, and the standard to be adopted for the strength of the Royal Air Force. The main proposals for the reorganization of the Committee of Imperial Defence were published in August last, together with the Report (annexed to the present document) of the Special Sub-Committee on the Relations of the Navy and the Air Force, and we commented on them at the time. There is nothing in the main report to remove the doubts we then expressed as to the practicability, as a permanent working arrangement, of the compromise adopted with regard to the administration of the Fleet Air Arm. The new constitution of the Committee of Imperial Defence, now actually in operation, must also be regarded, to some extent, as experimental; but the report strengthens the impression that the new arrangements, and in particular the functions assigned to the Chairman, as Deputy of the Prime Minister, and to the three Chiefs of Staff, should greatly facilitate the consideration of defence questions on the broadest possible basis, without in any way derogating from the authority of the Cabinet or of Parliament.

* * *

THE most interesting portions of the report are those dealing with the proposals, rejected by the Sub-Committee, for a single Ministry of Defence, and with the correlation of the services in time of war. Of special importance are the extracts from memoranda prepared for the Committee by Lord Haldane, Field-Marshal Sir William Robertson, General Seely, and others on the question of a Ministry of Defence and a combined General Staff. Both Lord Haldane and Sir William Robertson threw the whole weight of their great experience and authority against the proposal, on the score both of military efficiency and of Cabinet responsibility, and their arguments—quoted at some length in the report—appear to have been the decisive factor. With regard to the correlation of the services, the chief controversial issue appears to be the difference of opinion between the Air and Naval Staffs concerning their

respective responsibilities for the protection of maritime communications in the narrow seas, as to which the Committee wisely recommend further investigation and experiment. They rightly attach more importance to the spirit than to the form of co-operation. British history is peculiarly rich in experience of amphibious warfare, and that experience teaches us to look to such cordial understanding as existed between Wolfe and Saunders, rather than to a minute demarcation of responsibilities, for a successful solution of the problems presented by combined operations.

* * *

THE French Chamber has at last dragged out into the full light of day a series of scandals, the existence of which had long been matter of common knowledge, in connection with the restoration of the devastated regions. There is, of course, only one just principle on which compensation to victims could be made,—a careful investigation of their claims and a fair assessment of the damage. What has actually happened is that in the first place the claimants have been induced to part with their rights for ready money to some enterprising speculator, who, having paid the real sufferer far too little, proceeds to get what he can out of the State; and in the second the larger claimants manage, by means on which the Chamber debates are throwing a little light, to get the State assessors to honour claims inflated out of all proportion to the actual damage. The committee which has at last been appointed to investigate has found that on the first 800 dossiers examined there have been over-payments totalling more than 5,000,000,000 francs, an inflation of 63,000,000 francs having been detected in one claim alone. The debate has led to various lively incidents, the Chairman of the Parliamentary Sub-Committee dealing with the matter observing bluntly that M. Reibel, the Minister for the Devastated Regions, had consistently refused to co-operate with the Sub-Committee, while from another quarter of the Chamber the name of M. Loucheur was interjected in reply to a question as to who had been profiting by the frauds now openly admitted. In the end it was agreed that all war-claims above 500,000 francs (say £5,500) which have not yet been examined by the Committee shall be subjected to revision—a sufficiently damning commentary on the way the war-bill against Germany has been written up.

* * *

THE oil-leases scandal in the United States has now so far developed as to be hailed as an effective factor in the coming Congressional elections. Two members of the late Harding Administration, ex-Secretary Fall and Secretary Denby, are directly involved, and a third, Attorney-General Daugherty, is sufficiently implicated in a charge of neglect of public interests, if not of actual misfeasance, to create a general demand for his resignation, as well as that of Secretary Denby. Mr. Fall's misdemeanour, which is apparently not denied, was that, having granted extensive concessions on State oil lands to the Sinclair-Doheny group, he was obligingly accommodated by them with a "loan" of 100,000 dollars free of interest. Mr. Fall was at the time Secretary of the Interior. Mr. Denby, as Secretary of the Navy, adopted a like philanthropic attitude towards the oil kings, concluding with them an agreement which, it is alleged, ran the oil reserves of the Navy down to a level far below safety-point. President Coolidge was, of course, not at the White House when this happened, but it is a little unfortunate for him that his privilege of sitting in the Cabinet as Vice-President under Mr. Harding has to some extent implicated him in the activities of his colleagues. With an election only nine months off,

legislators, on the Democratic side, may be relied on to make the most of their opportunities.

* * *

MR. MCKENNA devoted the major part of his Chairman's address at the annual meeting of the Midland Bank, on Friday of last week, to an admirable exposition of the monetary problem, which he declared to be "of much greater importance than is generally recognized." Once again he deprecated inflation and deflation alike, and advocated a stable money policy under the discreet synonym of "the middle course." He emphasized the fact that "conscious policy" is necessary for this purpose—a point which it is of importance to drive home in view of the prevalence of the delusion that inflation and deflation can be avoided by merely abstaining from doing anything in particular. Mr. McKenna gave an admirable, clear, and sound analysis of our credit system. The key to the position is held by the Bank of England, by virtue of their rôle as the bankers' bank. "If there is to be an increase in the total of employment, the banks must obtain additional cash resources, and this can only be effected by the Bank of England letting out more money"—more money, not in the sense of currency notes, but of the nominal cash balances of the banks at the Bank of England, which are automatically enlarged if the Bank of England purchases more securities or bills, or increases its assets in any way. No man deserves greater credit than Mr. McKenna for his persistence during the last few years in emphasizing new ideas on this vital subject which run counter to City prejudice. His personal pre-eminence in the City is so marked, that had he been content to voice prevalent City feeling and opinion, he could easily have won a unique prestige and a flattering ascendancy. But he has preferred the rôle of the real leader.

* * *

GENERAL SMUTS'S notorious speech on the preference proposals of the Imperial Conference has landed him in a very unfortunate position. Colonel Creswell, the leader of the Labour Party in the Union House of Assembly, brought forward a resolution to the effect that promises made by a Government at such a Conference do not impose obligations on any country or dominion until they have been ratified by its Parliament. As Colonel Creswell refused to withdraw his motion, it was inevitably treated as a question of confidence, and was defeated by 61 votes to 54. The Union Government are thus officially committed to a doctrine which has been repudiated not only by Mr. Ramsay MacDonald, but by Mr. Baldwin and by the leading representatives of all the other Dominions, and has proved very unpopular in South Africa itself. All this has happened because General Smuts went a little too far in his endeavour to bring pressure to bear on public opinion in Great Britain, and we can only hope the result will be to discourage the future use of this questionable kind of cleverness in Imperial affairs.

* * *

MR. E. D. MOREL has been recommended by the Prime Minister and several of his colleagues for the Nobel Peace Prize, and the "Times" has seized the opportunity to make a virulent attack upon him, in the style that was all too familiar during the war. We hold no brief for Mr. Morel. But he is a man of high character, of generous impulses and public spirit, whose work in the Congo affair represents a notable personal achievement in the cause of the oppressed. The "Times" belittles itself in singling him out for abuse while welcoming effusively his close associate in all his pacifist activities as Prime Minister.

LABOUR AND FRANCE.

THE new Government have settled down at once to work. They have already announced their decision to retain the controlling interest of the State in the Anglo-Persian Oil Company, and they have promptly summoned the postponed conference to deal with the awkward question of the Ulster boundary. Above all, Mr. Ramsay MacDonald has addressed a personal letter to M. Poincaré, which, though it doubtless contains little beyond amiable sentiments, is presumably intended to herald a serious attempt to grapple with the Franco-German problem. It is thus already permissible, we may hope, to dismiss the rumours that have been current that Mr. MacDonald would allow this decisive problem to drift, while making out that he was accomplishing an heroic work of international appeasement by the recognition of the Soviet Government. It is, indeed, not possible to neglect the Franco-German question. The events themselves will not stand still. Within the last few days there have been developments of considerable importance, which must be dealt with somehow without delay.

The position a week ago was that the French seemed bent on pressing on the Separatist movement in the Rhineland, concentrating for the moment on certain strategic points. They were striving to secure the registration by the Rhineland Commission of the decrees of the preposterous Separatist Government, established by their soldiers in the Palatinate—a step which would have implied our recognition of it—and they were endeavouring to force us out of Cologne by demanding that we should hand over the railways to them, and by blockading the area when we refused to do so. On our side, Lord Curzon had sent Mr. Clive to the Palatinate, and, as the sequel to his report, had proposed to refer the legality of the proceedings there to the League of Nations' judicial organ, the International Court of Justice at the Hague. This week reports have come in from Paris of an alleged willingness of the French Government to compromise. It is stated that France is prepared to abandon her policy of supporting the Separatists in the Palatinate, and that she desires to refer the whole question not to the Hague but to the Ambassadors' Conference. The former profession would be more reassuring if it were not coupled with the invocation of so discredited an authority. The domination of the ex-Allied Great Powers through the Ambassadors' Conference—witness Corfu—while a hypocritical lip-service was rendered to the League of Nations, is one of the root causes of the weakness of the League up to the present time. That this reactionary domination should be furthered, for the sake of a short-lived respite from a disagreeable tension, by a Government regarding itself as the herald of a new order, is unthinkable. It is not as though it were a question of procedure only, and as though the purposes of France were above suspicion. French diplomacy is a past-master in the art of distorting agreements from their ostensible purpose and in pursuing by indirect methods what is unattainable through direct approach. Until the French abandonment of Separatism and of the policy of economic strangulation of our zone is an established fact, not only on paper but also in day-to-day working practice, our Government would do well to walk warily and to remain firmly on its guard.

In particular the Government should beware of the insidious proposal that in place of the Separatist decrees which the Rhineland Commission has refrained, in face

of our opposition, from registering, a fresh set of decrees of like content should be issued by the Commission itself and put into operation by "Inter-Allied" officials in the Palatinate. The Rhineland Commission has no right whatever under the Treaty of Versailles to usurp the normal functions of the German civil administration. These functions are expressly reserved by the Rhineland Agreement to the Reich, and any co-operation by us in the substitution of an "Inter-Allied" bureaucracy for the lawful German officials would be to participate in a gross breach of public law. To establish such a precedent of acquiescence in the breaking of the Treaty is a luxury we cannot permit ourselves at a time when our whole case against the invasion of the Ruhr rests on the contention that this invasion is a breach of public law. Such a solution of the issue would be no solution at all, but a cleverly camouflaged surrender leaving greatly increased administrative powers in the Palatinate in the hands of France; for to suppose that the "Inter-Allied" officials working in the region under the direct control of the overwhelmingly French-inspired High Commission at Coblenz, and with the benevolent "co-operation" on the spot of General de Metz (himself technically an "Inter-Allied" official already), would be other than the docile agents of French policy, is to cherish a dangerous illusion and to ignore the whole experience gained during the last year of what "Inter-Allied" co-operation outside the actual British zone in practice means. The remedy for the administrative confusion in the Palatinate is not to introduce into the region a new body of foreign officials unknown to the Treaty of Versailles, but to permit the return of the German officials illegally expelled by the Separatist gangs under French protection. Such a return M. Poincaré is said resolutely to oppose. We trust that Mr. MacDonald will no less resolutely press it. There can be no ground in equity or common sense why some thousands of officials expelled for no other reason than that their lawful functioning was an obstacle to an unlawful murder-gang masquerading as a Government, should not be permitted to return to their homes and resume their normal work.

With the special problems of the Cologne zone we do not propose to deal at length. The most pressing question, that of the railways, may, if the reports referred to above are true, have passed out of the critical stage before these lines appear. We will content ourselves by emphasizing the necessity of countering without compromise attempts to undermine our position in the zone. It is a key position in the European situation as a whole, and properly utilized will enable us at decisive moments to exercise an influence of incalculable weight. It is precisely on account of this potentiality that French policy has been directed to the creation of conditions which would render our tenure of the zone impracticable, except at the cost of the surrender of all practical power to France. Those therefore who, for whatsoever reason—as a gesture of dissociation from France, or to prevent the occasional requisitioning by the Occupation authorities of nucleus labour contingents in times of strike for the maintenance of essential services—advocate withdrawal from the Cologne zone, are walking straight into a trap set for them by French political tacticians. In the interests of the major European purposes which our presence at Cologne serves, a wise Labour statesmanship, while issuing instructions which will reduce hardships of this order to the absolute minimum, will in present circumstances resolutely reject all counsel to withdraw.

Another aspect of the question deserves attention. The submission of the Palatinate question to the Inter-

national Court of Justice, as Lord Curzon proposed, would mark an important step forward in the employment of the machinery of the League of Nations. To drop the proposal, now that it has been officially put forward, would mean, on the other hand, a definite setback to the authority of the League. There is much to be said for the caution that has been displayed hitherto in bringing the League to bear upon the Franco-German problem, but we cannot go on for ever refraining from using the League on the major disputes for fear lest we may break it; and the League constitutes to-day the most appropriate, and on the whole the least provocative, expedient by which we can intervene effectively in Europe. Lord Grey made last week at the Cannon Street Hotel a remarkable appeal for a more definite League of Nations policy. "What was really wanted to make the League of Nations strong was that the Secretary for Foreign Affairs should day after day use such language to Ambassadors and representatives of foreign Powers that they should each and all write home to their respective Governments saying that if the friendship and co-operation of Great Britain were desired they could only be had by pursuing a League of Nations policy." Fortunately, there is good reason to believe that the new Government intend to act in much this spirit. In his "Quotidien" interview, Mr. Ramsay MacDonald has avowed his "fervent faith" in the League with an emphasis equal to Lord Grey's.

GOLD IN 1923.

RECENT discussions about the future of gold lend special interest to Messrs. Samuel Montagu & Co.'s annual Bullion letter. Almost the whole of the world's output of gold is absorbed by India and the United States. "In neither country," Messrs. Montagu point out, "is the gold put into circulation as currency. In the former it is regarded as a precious metal bearing a ratio towards rupees differing from that set up by the Imperial Government. In the latter, it is interned in the Reserve of the Federal Banks, and its accumulation watched with anxious care, lest it should operate to the prejudice of prices and trade. In other words, the United States is suffering to some extent from the trouble that afflicted King Midas."

The output of gold in the British Empire and the rest of the world respectively (taken at £4 4s. 11½d. per fine oz.) has been distributed as follows:—

	(000's omitted.)			
	1923 'est.)	1922.	1921.	1920.
	£	£	£	£
Transvaal	38,800	29,800	34,500	34,700
Canada	5,000	5,200	3,900	3,500
Australasia	3,300	3,700	4,200	4,700
Rhodesia	2,700	2,800	2,500	2,300
India	1,800	1,800	2,000	2,100
West Africa	900	900	900	1,000
British Empire Total	52,500	44,200	48,000	48,100
Rest of the World ...	20,000	19,800	20,000	21,200
World's Total	72,500	64,000	68,000	69,300

The stock of gold now held in the United Kingdom is:—

	£
Bank of England	126,000,000
Currency Note Reserve	27,000,000
Total	£153,000,000

The rest of the British Empire holds a visible stock of £105,000,000, distributed as follows:—

	£
Australia	24,800,000
New Zealand	7,900,000
Canada	38,200,000
South Africa	11,000,000
India	22,300,000
Straits Settlements	800,000
	£105,000,000

The United States, on the other hand, now holds more than three times as much gold as the whole of the British Empire, namely, £784,000,000, made up of:—

U.S. Treasury	£145,500,000
Federal Reserve Banks	£638,500,000

During 1923 gold imports into the U.S. have proceeded at a rate of some \$25,000,000 (*net*) monthly. Not a dollar of this was wanted, and the gold reserves of the Federal Reserve System have now reached the unprecedented figure of 80 per cent. of their note-issue and deposits combined. Thus it has cost the United States during the past year about £100,000,000 to maintain gold at a purely artificial value (made up of about £30,000,000 interest on idle reserves and £70,000,000 for fresh redundant gold imported). Yet if the United States were to close their mints to the reception of further gold, everything would go on exactly as before, except that an additional £70,000,000 of capital reserves would become available during the year for use in other forms. It cannot be reasonable to suppose that this sort of thing will continue indefinitely. For example, it will take less than three years at the present rate—assuming that inflation is successfully avoided—for the gold of the Federal Reserve Banks to reach 100 per cent. of their liabilities. What will they do then? They must close their mints to gold, or suffer an involuntary inflation.

If, under the pressure of such circumstances, the United States were to close their mints to the reception of imported gold—which could be done without upsetting any American interest and without interfering with the convertibility of American legal-tender money into gold—the producers of gold elsewhere would probably have to accept the Bank of England price for the bulk of their output. In this case sterling would immediately recover its full gold value whilst remaining at a discount on the dollar. And unless we were prepared to step into America's shoes and waste our money on bottling up gold (which we certainly could not afford), we also should be faced with the alternative of closing our mints to gold or suffering an involuntary inflation.

These ideas may be based on an extreme hypothesis. But they illustrate how precarious the future of gold now is, and what a cataract of superstition must cloud the eyes of those who think it reasonable to assume as a matter of course that the future value of gold in these altered conditions will be governed by just the same sort of considerations as before the war.

Some say that the large interest of the British Empire in gold-mining, as shown in the above figures, is a reason why we should strain ourselves to maintain the value of gold. If we are to abandon arguments about the general social advantages of a sound currency for calculations of this kind, it is worth pointing out that our debt to America is fixed in gold, that the annual burden of this is several times as large as our annual profits from gold-mining, and that every fall in the value of gold lightens this burden.

It would be rash to prophesy the future of an object to which the human race has been so anciently attached as gold. But the situation is peculiar. Only twice before have we had a state of affairs comparable

with that produced by the dissipation, through the war, of the temple hoards (*i.e.*, bank reserves) of Europe;—once when Alexander pillaged the bank reserves (*i.e.*, temple hoards) of Persia, again when Spain pillaged those of Mexico and Peru. On each occasion there followed a catastrophic fall in the value of the sacred metal. If we are to judge the present situation by experience, we must cover a longer range of history than the City quotes; if we are to judge it by the light of reason, we must let our minds be bold.

Currency Reform has two objects: to remedy the credit cycle and to mitigate unemployment and all the evils of uncertainty; and to link the monetary standard to what matters, namely, the value of staple articles of consumption, instead of to an object of Oriental splendour, it is true, and one to which Egyptian and Chaldean Bank Directors attributed magical properties, but not otherwise useful in itself and precarious in its future prospects. The time may come when Currency Reformers will appear plainly, not as suspects of inflation, but as the only safeguard against it.

J. M. K.

ENGLAND'S GREEN AND PLEASANT LAND.

III.—"SMILIN' THROUGH."*

I AM trying my very best to make a faithful picture of our hamlet. I am succeeding passably if, so far, the reader has gained an impression of a little place that has been *hauden doon*. But "held down" is hardly the English for *hauden doon*. What is? Depressed, dejected, spiritless, crestfallen, low-spirited, melancholic, sad, forlorn—as I sit in the hamlet this sunshiny winter morning none of these Thesaurus words seems the right one. I turn to the dictionary and find that the meanings given for "forlorn" are forsaken, solitary, helpless, friendless, hopeless, wretched, miserable, pitiable. "Forlorn" is too strong. No community can be wholly forlorn. But it is no overstatement to say that the hamlet has a forlorn look and that its life seems drab.

It is a speaking fact that as small a hamlet as ours should have contained last year no fewer than four separate cottages in roofless ruin. I say contained, because, within a few months, the stone of two of the cottages has been used to build a new cottage, and most of the tottering walls on the other two sites have been carted away to make field dykes and repair farm buildings. So there is life in the place. One night, when I was sitting with old John Thornton, he said: "What's wrong is that the owner of the land has always been poor and living away. As cottages got anyhow, and many has fallen down in my time, nobody did nothing to them. There's never been none here to take an interest in the place—never none but the labouring people and the farmers, none to lead, nothing to raise the people and liven them." "And," his wife added, "not even a parson"—the church is served from a neighbouring village. "Seemed like sometimes as if 'twere a heathen place."

Something happened last night which is not easy to bring into the picture—a "fancy-dress ball" in the schoolroom! I was asked to be present for an hour to distribute the prizes, and I donned a Korean *touramagi* and took my way along the dark road with curiosity and an electric torch. The gathering was the culmination of a series of dancing lessons, given by the assistant schoolmistress (the wheelwright's daughter), and attended by

the younger people of the hamlet and some neighbouring hamlets. The ball had been arranged by the dancers, and none but cottagers took part in it. There may have been sixty young men and women "dressed up" and another twenty or thirty onlookers. It cost a shilling to go in. Refreshments were included in the shilling.

Lighting is the usual shortcoming of a rural entertainment. But as it is as good as the lighting of the cottages no one complains. It was not to be expected that much of the dancing would be better than the lighting. But there was plenty of mirth and a marked discretion and politeness. In order that the winning costumes might be fairly chosen it was prudently decided to appoint a committee on which each hamlet that had sent dancers should be equally represented. The first prize-winner was the assistant schoolmistress. She had made herself a paper dress and covered it with drawings in colour of the school and hamlet; also of the sea and its ships and of the 'bus that, out of the profits of the ball, is to take the children to behold them. The next award went to a girl who had sewn on her costume representations in cloth of every vegetable mentioned in "Yes, we have no bananas." From the male masqueraders, who included two Charlie Chaplins, the adjudicators gave honours to a lad who was inside an imitation grandfather's clock, and to my garden boy, who sported a suit of acquired pyjamas and carried in his arms a make-believe baby.

The happiness and civility of this gathering, and the mental and financial resources of which the costumes were the product, incline me to think that, like many other gatherings which are now arranged in villages and hamlets without assistance from gentry, parsons, or farmers, the ball marks a new stage in rural civilization in Southern England. Strangers to our country life will wonder, no doubt, how the standard attained at this gathering is to be reconciled with the limitations of the home life of the hamlet as I have described them. That it is not easy to reconcile the two things is only one more illustration of the difficulty of understanding what cottage life really is.

How many rooms are there in your house or in my house? You cannot say, I cannot say on the instant. If now and then you go from such a house as you and I live in, it may be centrally heated and electrically lighted, to a three-roomed cottage in poor repair, in which a large family of all ages is living much of its life in one room, with some of the washing or ironing overhead, does it seem likely that you will readily grasp the point of view of that family on vital matters and easily understand its ways of life? Nothing is easier than for men and women of one experience of life to theorize confidently about the feelings, wishes, and powers of men and women of quite another experience. Those who, with one experience of life, try most painstakingly to enter into the existence of people of another way of life meet with surprises to the end of their days.

One thing is certain about last night's merry-makers. Half of them went home to sleep in unceiled rooms. There are other things in the cottage way of life besides the sleeping arrangements which you and I might not find easy. What seems true about the people in these cottages is that they put enjoyment of life, as they understand it, before some kinds of comfort. If that is not a mark of advancing civilization, what is? A single man who has been working for me lives in a decrepit and overcrowded cottage where, to our notions, there is no comfort. But he does not say so. And I hear that a few miles away the other night he won the first prize at a whist drive, where there were fifty tables and the entrance fee was 1s. 3d.

* No. I. appeared in THE NATION AND THE ATHENÆUM on January 12th, and No. II. on January 26th.

A hard life is not unhappy because it is hard. Are there cheerier folk in the world than the Eskimo? The people of narrow means in the unceiled cottages draw my sympathy. But it is not so much because their life is laborious as because it lacks opportunity and inspiration.

Poverty is poverty, but life on financial resources which are renewed more or less adequately every Saturday is not poverty. The limited funds of the labourer's family do not make its way of life mean. The liberality of weekly wage-earners to the unfortunate, and the help they give to them and to religious, political, or social causes in which they become interested, are often, in proportion to the subscriptions and donations of rich people, remarkable. If the wives were not so overworked, if their dwellings were not below a reasonable hygienic standard, if cottagers did not miss so much that makes life fuller and freer, the cottage life would have much to recommend it.

In seeking to have something in their days beyond hard work the ball-givers were right. The labouring class often seems to be, and often is, extravagant and improvident. But which of us, if we tell ourselves the truth, is not extravagant and improvident in one way or other, and which of us does not sometimes feel better for it? Which of us, without the opportunities of reading, counsel, and reflection which have come our way, would not be more imprudent still? From the refuse dump of the hamlet—that is one of the things that badly needs reforming—I have just retrieved half-a-dozen old pails and bath tins with holes in their bottoms. I wanted to use them in forcing rhubarb. They ought not to have been improvidently thrown away. Old chairs, particularly old armchairs, are often broken up; nobody in the cottages seems able to make soup; the petty wastefulness of cottage girls in service is persistent. But it is also true that wherever, up and down England, women's institutes have provided instruction in soldering, chair-mending, and kitchen economics, it has been eagerly accepted. If, in the supposed interests of national economy, we choose to narrow, instead of to widen, the household-economy curriculum of the rural schools we are bound to have cottage waste. Sorely tried employers who are economists and are mindful of the good of those who work for them may sometimes say in their wrath that only the fear of hunger will discipline a certain type of worker. But we know very well that poverty, with all the ills it brings to those who suffer it and to the community to which they belong, is not the surest means of teaching a reasonable way of life.

The instinct which moved last night's dancers to set the advantages of cheery, stimulating social life and an agreeable relationship of the sexes above saving a shilling or two was sound. The gaiety of spirit which unequal fortune had not quenched was gladdening. The worst that is to be feared in the neglected countryside is lethargy, a hopeless acquiescence. There was no sign of that in last night's open, buoyant, friendly countenances. Some of these young neighbours ought to have been taller or had straighter backs. But there was something in these youths and maidens which, with patience and studious effort, might be moulded, something by the aid of which foundations might be laid for a better order of things in the hamlet and out of it.

The dancers enjoyed each other's company so much that they did not, it seems, go home until two in the morning. But that is earlier, they know, than their betters go home from the Hunt ball.

H. C.

LIFE AND POLITICS

MR. MACDONALD and his Government need the caution that is reserved for those of whom all men speak well. The bogey of last month has been "translated" into the aureoled saviour of this. It would seem that Lord Rothermere's hysteria, which rang through a thousand journals, his italics and his agonized entreaties to Mr. Asquith to save the country from red ruin and the breaking-up of laws, were only a disguise for his deep respect, bordering on affection, for Mr. MacDonald and all those dear fellows with whom he has been associated. In regard to those dear fellows, Mr. Garvin was positively lyrical in his last weekly encyclical. He traced Mr. Thomas and Mr. Walsh and the rest from their humble cradles to their present exalted state of being with the fervour of one who had never heard of Protection, but had spent his days in awaiting the coming of these russet-coated redeemers. The "Daily Herald," which used to be a lonely voice crying in the Labour wilderness, must feel a little unhappy to find itself absorbed in the grand harmony of the journalistic choir. Mr. MacDonald, of course, will not be deceived by this touching unanimity. He has had sufficient experience of the rough usage of the world to know the fickleness of popularity and to appreciate the answer which Cromwell made when, on his return from Ireland, a vast crowd, cheering and adoring, met him at Tyburn. "See," said one of his attendants, "see, your Highness, how the people come out to greet you." "Yes," said Cromwell grimly, "but how many more would come out to see me hanged!"

* * *

THE most diverse views prevail as to the length of life of the new Ministry, and I hear of wagers being made, on the one hand, that they are "out" by April, and on the other, that they keep office for two or even three years. It is an ample margin which indicates the futility of prophecy on so incalculable a subject. The most critical issue that has to be faced at once is not one on which Mr. MacDonald has anything to fear in a Parliamentary sense. It is the European situation. Everyone now takes the recognition of Russia as a matter of course, and any delay in that respect would be regrettable, though I suspect Mr. MacDonald is finding that the Soviet Government has no excessive talent for greasing the wheels of negotiation. The interview with Mr. MacDonald in the "Quotidien," given before he was Premier, has done good in placing the real views of this country before France, and it is hoped that he will not hesitate to explain our position formally and firmly from fear of any reaction of such a course on the French elections. The immediate problem of Cologne cannot be allowed to drift, for every day some new insolence is reported, the latest being the stoppage of supplies actually intended for our own troops in the area. The intervention of Brussels is no doubt responsible for the consent of France to submit the Palatinate issue to the Ambassadors' Conference. The choice of that discredited body is characteristic and ominous. It represents the Foreign Office diplomacy in which France is so easily supreme and by means of which she has so successfully sandbagged the League of Nations.

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THE railway strike has ended in a sort of face-saving compromise by which the proposed cut in wages is effected by easy stages covering a year. If this were a possible solution, why was it not adopted without the monstrous penalty inflicted on the public by the strike?

Mr. Bromley, I see, claims the result as "a great victory" for his Union. Perhaps it is; but the episode is certainly a ruinous defeat for the country. It means that the public are at the mercy of any little group of men who happen to be in control of a key position upon which the machine of the national life depends. There would, of course, have been no strike but for the fact that the men were able to strangle the life of the community by simply laying down their tools. How many millions the country has lost over this twopenny-ha'penny affair is beyond calculation, but it is hardly possible to hope for a revival in trade while the national resources are squandered in this sort of wild incendiarism. With a national strike of dock workers imminent and trouble in the mining world looming on the horizon, the outlook of the country is not cheerful. It remains to be seen whether the existence of a Labour Government has any bearing upon the solution of Labour discontents.

* * *

If we could be assured of peace in the industrial field, there is some hope, not certainly of a boom, but of some real improvement in trade. In many of the industries, shipbuilding for example, there is a feeling of returning activity, and the winter is passing over without the worst fears in regard to it being realized. So far from the unemployment position having worsened, there has been a substantial reduction in the number of unemployed, and it only needs a breath of wind in our sails to enable trade to absorb the balance. The position in Lancashire is unfortunately affected by specific disorders that have nothing to do with general conditions. The dependence on American cotton, so long a source of menace to the industry, has now become a realized danger. The devastations of the boll-weevil are estimated to have reduced the last crop from a potential fourteen or fifteen million bales to a realized ten millions, with the result that American cotton, which is the raw material of 75 per cent. of the Lancashire trade, is at famine prices—in the neighbourhood of 2s. a pound against the 4d. or 5d. or 6d. in normal times. The result is that India, which has been Lancashire's chief customer, has to pay 180 per cent. increase over the price of 1913, and as the appreciation of her own exports, food, hides, &c., is only 40 per cent., there is no mystery in the fact that cotton exports to India are down by 45 per cent. as compared with the last year before the war. I hear good accounts of the progress of the British cotton-growing schemes in the Soudan, but those schemes are in their infancy. It will be ten years before they exercise any real influence on the situation, and probably twenty before they give the Lancashire trade a really effective second string to its bow. And in the meantime what may happen, with the boll-weevil unconquered and the American home consumption constantly increasing? What is being done in the Soudan to-day should have been done, if not there, then elsewhere, a generation ago.

* * *

I UNDERSTAND that the domestic strife in the Conservative party goes on with unabated activity to the familiar battle-cry of "B. M. G." The Diehards who drove Mr. Baldwin "over the top" and brought about the party disaster of last December, cling with pathetic obstinacy to the lost leader of a lost cause; but the realists of the party, most of whom were distrustful of the gamble of last December, are determined that "Baldwin Must Go." The difficulty is to find a personality around whom the forces of discontent can be mobilized. Mr. Austen Chamberlain's relations with Mr. Lloyd George, Mr. Churchill, and Lord Birkenhead make him suspect to the "true blue" element;

Lord Derby lost what little reputation for political prescience he ever had by his jejune performances last December; Sir William Joynson-Hicks's engaging readiness to lead the party to victory is regarded *pour rire*; and Mr. Neville Chamberlain arouses no enthusiasm. Sir Robert Horne seems the best of an indifferent pack, but he has become so involved in a prosperous business career that it is doubtful whether he will be disposed to undertake the cheerless task of rebuilding the fortunes of a broken party. It is not impossible, in view of the poverty of the resources, that Mr. Baldwin may, after all, be left to salvage his own wreck; but the party meeting of February 11th can hardly be a happy one, especially in view of the presence of the defeated Conservative candidates who were the victims of the gamble and are in no amiable frame of mind.

* * *

In the meantime, I hear excellent accounts of Mr. Henry Bell's candidature in the City. On merits, of course, he is incomparably the weightier of the two candidates, and the circumstances in which Sir V. Bowater "jumped the claim" as Conservative candidate have created a natural feeling of hostility among those who like to have the privilege of choosing their own nominee. It is probable that there will be a large number of abstentions, but it would be absurd to attempt to forecast the result in a constituency which has not been seriously contested for so long, and in which an enormous women's vote of an unusually incalculable character exists. But there seems a bare chance of the City being represented by a Liberal for the first time in the lifetime of most of us.

* * *

SHOULD the Liberals fight Burnley? It is in the circumstances a nice question, of a sort that will constantly arise in the novel conditions in which a Labour Government is in power by the sanction of the Liberals. Those conditions, as Mr. MacDonald doubtless understands, call for give as well as take. In the present case, with so good a candidate and in the light of the last election, the Liberals can hardly let the seat go by default.

A. G. G.

THE HOUSE OF COMMONS

THE PROLETARIANS.

NEVER could more ample food for the cynic be provided than the political history of the last few days. For a week we had listened in Parliament, with humility and, I suppose, in some cases, with terror, to prophecies from the late Government Benches of what would happen if we kept our promises to our constituencies and voted the Conservatives out of office. It would mean the end of all things. It would mean the "Reds" triumphant. It would mean the destruction of society; the coming of Socialism; the abolition of God. Above all, we were moved by the extraordinarily unexpected solicitude of these orators for the future of the Liberal Party. Metaphorically they took black-bordered handkerchiefs out of their top hats and wept salt tears over the fact that we were committing political suicide. One speaker, indeed, Sir William Joynson-Hicks, confined his prophecy to Time, and modestly limited our destruction to a hundred years. Others, however, like Mr. Austen Chamberlain, embarked on the region of eternity, and asserted that never again, if we delivered such a vote, would the Liberal Party return to power. Meanwhile, telegrams rained in all day and every day from unknown persons urging us to "be British" or "not to vote Red." Lord Rothermere, from his private retreat in Switzer-

land, manipulated his Syndicated Press to beat the tom-tom and threaten awful penalties, and was manfully assisted by Lord Beaverbrook in his Syndicated Press from his safe retreat in America. With a courage worthy of a good cause, the Liberal Party remained steadfast to its pledges and threw out the Government by a majority of 72. Two days afterwards I opened the daily paper to learn the personnel of those who formed the new "Labour" Government; and all the noise and threatenings and fears from dark prophecies are drowned in "inextinguishable laughter."

Since that date the Conservative Press has been pouring butter from a lordly dish over this singular aggregation of revolutionaries. Mr. Garvin, who was denouncing its advent, less in journalism than in delirium, now emits calm and succinct praise condensed into three columns, with the titles "A Ministry of Work," "The Premier and Big Plans," "A National Cabinet." Another Sunday paper which has been raving like a madman now encourages its readers with the information that Mr. J. H. Thomas is "a regular diner-out" and "for many years has been a close friend of the Astor family"; and that Lord and Lady Chelmsford have had experience of entertaining on a scale of magnificence which is "only inferior to that of Buckingham Palace." A third is also reassuring in its statement that Lord Haldane has entertained seventeen of the Cabinet at once with his usual princely hospitality. Lord Rothermere has abandoned his scares and will presumably return to England; and his papers, instead of attacking the Liberals for destroying society, are now advocating the taxation of undeveloped land. Indeed, there would appear to be no reason, except for an unnecessary enlargement of the Cabinet, why Lord Rothermere and Lord Beaverbrook should not both be included among its members.

It is a Cabinet of old and ageing men; the average age is nearly sixty. It is a Cabinet, I am afraid I must say, in the main of dullish men; of men who have left little of the unexpected to show to the world. It is a Cabinet with a large contingent of recruits who have spent the greater portion of their lives in the Conservative or Liberal Party, and for some reason or other have, in advancing years, forsaken these, and joined a new Party. It is a Cabinet largely of rich men and of men who have inherited comfortable fortunes; of capitalists or landlords or brewers; of men who, if they appear on a Liberal platform, are described in the rich vocabulary of Glasgow and Glasgow's disciples as "peers," "pluto-crats," "plunderers," "profiteers," or "parasites."

It is a Cabinet which has no claim to call itself "Labour," and which can easily free itself from the reproach of being branded Socialist. For, so far as Labour is concerned, the majority of it, at least during adult life, have had no direct experience of the conditions of poverty; and many have never even worked for their living at all. And, so far as Socialism is concerned, not more than five or six of the whole twenty would call themselves Socialists, and each of them would give a different definition to that much-abused term. It is true that Mr. Sidney Webb and Sir Sydney Olivier walk like ghosts from a mid-Victorian time with a Fabian bureaucratic Socialism of some incredible number of years ago, which now is as dead as the mountains of the moon. Against this you may balance Colonel Wedgwood, who is a defiant Anarchist and follower of that Henry George who spent most of his life in denouncing Socialism; and the Trades Union leaders, such as Mr. Clynes, who have been subjected for years to the fiercest attack from all the Socialist papers for refusing to declare for the full economic gospel. That queer compound of the academic mind, "Guild Socialism," is conspicuous by its absence.

The country is obviously reassured. The sight of Lord Haldane on the Woolsack again, even more rotund and more smiling than of old, should send up the funds by at least ten points. Lord Parmoor's name but thinly disguises the Mr. Cripps who in all my time in the House of Commons was the most dreary and most reactionary of all Tory opponents of social reform, and could be guaranteed to empty the House, when any such reform measure was proposed, of everyone but the unfortunate

Minister in charge. The country will be reassured by the inclusion of three wealthy peers and two wealthy sons of baronets. What policy will be evoked by this strange collection remains conjectural. Personally I should have preferred it if Mr. MacDonald had selected a body of young and unknown idealists, who might, indeed, have caused temporary fear in Conservative circles, but who, through their sincerity and energy, might have been more likely to push things forward than his present colleagues.

It is the "Reds" who have been "dished." As Carlyle said of Disraeli and the Protectionists in 1852, "no Party has been so sold since Judas concluded his trade." They are the men whose devotion and effort have made the Labour Party. They are the men who, against the votes of the Trades Unionists, made Mr. MacDonald leader of the Labour Party. They are represented now in the Cabinet by one man out of twenty—a Glasgow capitalist publisher, Mr. Wheatley. His inclusion is all the more remarkable because of his public declaration since the General Election. In an article in "The Forward," entitled "No Coalition, no Compromise," he announced that "insidious attempts are being made in the Press to influence Mr. Ramsay MacDonald to adopt one of two courses." The first was to enter into a Coalition with the Liberals. The second was "to pursue a watered Parliamentary policy to which Liberals and many Tories would have no deep-rooted hostility." "This policy," in his own words, "might include the pacification of Europe, the provision of relief work for the unemployed, reform in the Old Age Pension law, and more generous treatment to ex-Service men and the dependants of the dead. The Capital Levy would be relegated to a Committee of Inquiry." "Our leader," he defiantly asserted, "is too wise and too faithful to adopt either of these suicidal courses," both of which would be "equally treacherous and disastrous." He advocates as an alternative annual elections, which would ensure "the frequent collapse of Capitalist Governments." And, in a speech some few weeks later, he announced to the Comrades that "there is no fear that the Labour Party will waste its time in a fruitless effort to carry on the capitalist system of society." A few days after he occupies the comfortable position of Minister of Health in a Government committed to the suicidal and disastrous course he has denounced. "Bless thee, Bottom! bless thee! thou art translated." Truly there is no fathoming the mind of the lowland Scot by the humble English critic and admirer.

And it is the resolution of Bottom the weaver which should be written over the entrance-door to the present Cabinet: "I will roar, that I will do any man's heart good to hear me." But, on remonstrance, "I grant you, friends, if that you should fright the ladies" (especially the old ladies—of both sexes) "out of their wits, they would have no more discretion but to hang us; but I will aggravate my voice so that I will roar you as gently as any sucking-dove; I will roar you an 'twere any nightingale."

M.P.

LETTERS TO THE EDITOR

"TEACHERS AS CLERKS."

SIR,—May I be allowed to say with what interest I have read your article of January 26th on "Teachers as Clerks"? You justly say "few people outside the teaching profession are aware of the complexity of the clerical work involved" in conducting a school. May I say there are a few managers of elementary schools who do realize it? I have been visitor, and then manager and governor, for very many years, of the schools, constantly growing in numbers, in the growing suburb where I live. I am on a committee, once a School Board itself, which deals, under the Middlesex County Council, with a group of Primary and Secondary Schools in a large district. I have been in and out, month after month, in regular contact with the teachers. I have learned their points of view and studied their difficulties. I have often found an excellent head teacher, who might be giving advanced lessons

to the upper standards, immersed for practically the whole afternoon in adding up figures. It is the greatest pity possible this should be so. It is downright waste of material and certainly false economy. You suggest that clerical assistance might be given; possibly, but one way to lessen the loss of a high-class teacher might be to give some of the work to one of the teachers in a large class, and let the head take that himself for an hour or so. To bring in the variety a fresh teacher gives has an excellent effect in waking children up. Of course, the last two Governments, I suppose little realizing what they were doing, have increased difficulties in the schools. The cutting down of staffs has been serious and a decided set-back to education. In many cases the head teacher has been made responsible for a whole class all day. The efficiency of the school was thus at once lowered. A head teacher before would go round the classes and give simple examinations; now the teacher's own class cannot be left. Often a head teacher would take a few backward and bewildered children, who seemed hopeless dunces in a big class, into a separate room, and there coach them quietly into the beginning of learning. The result has been surprising. No teacher can attend to the backward in a class of fifty; they have either to go to the wall, or keep the bright little ones back. In one case, the headmaster in one of my schools had a class for gardening on a piece of waste land near by; it was capital the pleasure the boys took and how much they produced. This had to be given up when the staff was reduced; a master could not be spared to go out with fifteen or sixteen boys. The tools the boys themselves had subscribed for lie idle. One cannot help thinking if only the people realized how the Conservative Party were starving their children's minds, that party would have far less power in the land than it has to-day. However, we can hope that the nightmare of such a rule is over; the men now in power believe in their children being helped on and not shoved back. We shall get our teachers back (heaps of trained ones swell the ranks of the unemployed now), and if, as some of the new men have said, the children are to be kept till sixteen, there will have to be much building of new classrooms, new schools even, and so again the unemployed will find work.

As I have been speaking of school managers, may I also remark that I think more care should be taken over appointments? Could not the authorities above us insist that some kind of education was necessary in those who are set to "manage" education? People to be chosen who have shown some interest in the subject beforehand? At one time I tried hard to prevail on one Council to send a first-rate woman teacher as representative. I had constantly felt the absence of a teacher during deliberations, and it has, indeed, sometimes been ridiculous to try to decide matters affecting the child in the absence of a practical expert. Though not on this Council, I was allowed to speak to it. Members listened kindly, but preferred to send up one of their own ignoramuses. I should like to see it compulsory on all big committees there should be at least one teacher. I think teachers would sometimes laugh heartily, hearing what goes on. A member of the Workers' Education Union would help us much; men there are eager over the education of their children. But we have now two strong men at the helm; we shall surely be better steered.—Yours, &c.,

SCHOOL MANAGER.

January 27th, 1924.

HOW TO HELP THE FARMER.

SIR,—Mr. M. H. Neville's letter on the above in THE NATION AND THE ATHENÆUM of January 12th recalls a visit I paid to Copenhagen in 1894. I found the milk supply in the hands of a philanthropic enthusiast who had organized a system by which the best of the surrounding farmers supplied their milk only through his organization. At that time the chief problem was not merely to secure clean milk, but milk free from infection. He ensured this by paying the farmers on his list for their milk whether it was infected or not. If infected it was destroyed, so that the farmer had no interest in concealing the fact of a cow being sick. I tried

to get the Corporation of Glasgow to take up the subject, but it was found impossible to overcome the hostility of local dealers. My argument always was and still is that a supply of pure milk is as essential to public health as a supply of pure water, and much more important in the case of infants and young children. I have no doubt the question will be taken up by the Labour Government, and if they enlist the co-operation of the local distributors by taking them into their service there is no reason why the Corporations of towns of over 100,000 inhabitants should not deal with milk supply efficiently and without injustice to the people whose livelihood depends upon the trade. It would even pay to square the wholesale middlemen.—Yours, &c.,

D. M. STEVENSON.

Glasgow.

"MORAL TALES; OR, 'WOE TO THE WEAKER.'"

SIR,—As a more or less regular reader of THE NATION AND THE ATHENÆUM, I should like very much to make some active protest against the tone and spirit of the letter of Mr. E. H. Blakeney, appearing in your issue of last week.

Kipling is a romantic, and boys are romantic; consequently Kipling has considerable influence over boys. The romantic is, no doubt, a very pleasant person, but the picture he paints is hardly real. It is, unfortunately, incomplete and therefore misleading; one might say, with equal justice, false. Mr. Kipling has to a large extent woven his fairy dreams around such unpleasant subjects as war, savages, "white men's burdens," Empire-building, and other such paraphernalia of Imperialists. The danger of this lies in the fact that there appears to be a rather peculiar conspiracy to conceal from the average youth the missing parts of the picture that Mr. Kipling so cloudily sketches. To gild such subjects as politics or sport with romance is less harmful, for disillusionment is not long delayed, but apparently, we are only permitted to learn the whole truth about war from personal experience, a rather tiresome process. One may admire the picture that the genius of Mr. Kipling creates, but one should hardly be surprised that others should deem it necessary to draw attention to several important, if unpleasant omissions. One cannot expect all the world to realize that the shrine at which one worships is the one and only true shrine.

I should like to add, in conclusion, that to my mind Mr. Blakeney's letter would have carried more weight, and have been more creditable to himself, had it been couched in a more reasonable and courteous tone.—Yours, &c.,

E. SHILSTON WATKINS.

51, Belvedere Road, Upper Norwood, S.E.19.

LORD CLARE AND FONTENOY.

SIR,—In my review of Mr. Stephen Gwynn's "History of Ireland" last week, I inadvertently represented Lord Clare as winning the Battle of Fontenoy for the British, thereby doing a double injury—to Mr. Gwynn, and to the memory of one of the most famous of the Wild Geese. Fontenoy was, of course, a French victory and it was the charge of Lord Clare and the Irish Brigade, fighting in the French Army, which carried the day against the British. I should be obliged if you would insert this correction, in the interests of historical accuracy, and to placate all the Irishmen who are doubtless by now thirsting for my blood.—Yours, &c.,

E. P.

"JAPANESE COLOUR-PRINTS."

SIR,—Why does Mr. Roger Fry, in your notice of "Japanese Colour-Prints" last week, completely ignore my collaborator, Major O'Brien Sexton, and allude to me as "the author"? If the book deserves, as he says, the "deepest gratitude" of collectors, the credit is due much less to me than to Major Sexton, whose unrivalled knowledge of the Japanese sources is well known to all interested in the subject. No doubt the injustice was quite unintentional, but in fairness to Major Sexton I hope you will insert this correction.—Yours, &c.,

LAURENCE BINYON.

British Museum, W.C. 1.
January 27th, 1924.

FIRST CATCH YOUR HARE

By L. PEARSALL SMITH.

MRS. WOOLF, in her recent answer to Mr. Arnold Bennett in these columns, and Mr. Beresford, with his reply to Mrs. Woolf, have started a hare, and inaugurated a hunt of such fascination that even the most grizzly and retired of critical greyhounds must be irresistibly tempted to leap from his kennel and join the exhilarating chase.

The essence of fiction, the *sine qua non* of novel-writing, is the game they are after: that is the creation of character, they agree with Mr. Bennett; but where, in what covert the elusive animal is hidden, is among them a matter of lively dispute. I should like to suggest (if I may join them) that the field to which they confine themselves is rather too narrow. It isn't a question merely of English fiction; or, in English fiction, of the Victorians, the Edwardians, and our contemporary novelists. Indeed, to make sure that one has left no covert unexplored one should include, I think, not only foreign novels, but the drama, and even the epic; for these portray character as well as novels; they are also, if I may permit myself the pun, "forms" in which our essential hare may be found lurking.

If, then, we wish to arrive at some definite idea of what we mean by character-creation in fiction, and, taking the word in its widest meaning, we summon up before our memories all the vast populations which people these worlds of the imagination, we shall see, I think, that those personages divide themselves pretty definitely into two groups. By far the great majority of them are stock figures, devoid of any independent existence. Personifications of the passions, idealizations of abstract qualities, embodiments of simple forces, or types of various professions, these heroes and lovers and heroines and villains and lords and misers and millionaires and clergymen and lawyers have all their names, their places in the social fabric; they all are endowed, and sometimes over-endowed, with the characteristics of their sex; they are upholstered in different kinds of clothes; they are often described and analyzed and dissected at enormous length—and yet they almost all remain puppets: we see the strings that pull them; and when the play or novel in which they figure is over, their life ceases, they are laid aside, and we think of them no more.

But in the works of certain great writers some of the figures (though by no means all) present a very different appearance. They seem to be framed in a different manner and composed of other materials, to be real human beings, discoveries and not inventions; they are no sooner brought into existence than they seem to have always existed: and when the novel is closed, or the curtain falls upon the drama, they go on living in our imaginations, and are as familiar to us as our relations and our best-acquainted friends. These are the figures which we call "characters"; and the power of evoking them is what we call "character-creation." It is a power possessed in the highest degree by Shakespeare; we find it also in Scott, in Jane Austen, in Thackeray; and Dickens possessed it almost to madness. It is commonly regarded as the greatest gift of these novelists, and the very essence of their art. And yet, curiously enough, none of our critics, with, as far as I know, only one exception, have attempted an analysis of this creative power, or at least any real discrimination between stock figures and "created" characters. This exception is that obscure, almost forgotten diplomatist and politician of the eighteenth century, Maurice

Morgann, who published in 1777 one small masterpiece of criticism, an *Essay* on the character of Falstaff, in which he deals with this question in a profoundly interesting way. What is the essential difference, he asks, between Shakespeare's characters and the stock figures of the other playwrights? The answer he gives—and I think it is essentially a true answer—can be paraphrased in our modern vocabulary as follows. No personage can be put whole into a work of art; the writer can only present the qualities and aspects which he needs for his purpose; and in other playwrights the parts which are not seen do not in fact exist; their makers have told us all they know about them; there is nothing more in these figures, as they conceive them, than what we see, and their hidden interiors are, as we may put it, filled, like dolls, with sawdust.

But Shakespeare's characters are created as vital wholes; they possess independence as well as relation; they are living organisms, in which each part depends upon, and implies, the complete person. Although we see them in part only, yet from these glimpses we unconsciously infer the parts we do not see; and when Shakespeare makes them act and speak, as he sometimes does, from their unportrayed but inferred aspects, he produces an astonishing effect of unforeseen, yet inevitable truth.

Morgann does not discuss the means by which Shakespeare presents these characters to us, so as to make them seem real and living in our eyes. We have only, however, to look at one of his plays to perceive his method. He does not, of course, describe them—that as a dramatist he could hardly do—but he makes them, as it were, talk themselves into existence. The impression of individual character is produced by an individual way of speech; each personage possesses an idiom, a diction, a rhythm, a sort of sing-song of his own, so distinctive that, without reading their names, we can recognize each speaker by his voice. And when we look into it, we see that all our great character-creating novelists have adopted this Shakespearean method; we find it in Scott, in Jane Austen, in Thackeray, and above all in Dickens, who created hundreds of living beings, endowing each with his own inner song, his excited or drowsy twitter, his personal "note," as distinctive as the note of a wren or chaffinch. Dickens and the other Victorians no doubt abused this enchantment, this way of making their characters sing themselves into existence; they reiterated their little tunes and catch-phrases so monotonously that their successors became disgusted with this method, and adopted the method of description and analysis instead. Is this, perhaps, the cause of that loss of character-creating power which Mrs. Woolf notes in them—the reason why our novelists no longer people our imaginations with living forms? Human nature nowadays, Mr. Beresford suggests, is too complex, too self-conscious, too irresolute, to be moulded into salient and definite characters like those of our older writers. But does human nature change so rapidly? Are many of us more complex, more self-conscious, more irresolute than Hamlet? And yet has not Shakespeare created in Hamlet a most unmistakable and distinct and living being? And, let us note, Hamlet is made real to us very largely by his speech-rhythms and intonations—there is, for instance, as Mr. Bradley has finely noted, nothing in the play more intensely characteristic, and more unmistakably individual, than Hamlet's trick of verbal repetitions. "Words, words, words"—

"very like, very like"—"thrift, thrift, Horatio"—"except my life, except my life, except my life"—is not the very essence of Hamlet embodied in these little phrases? Could any number of pages of analysis and description have made him more living to us?

If, then, this power of conceiving, and creating, and presenting character is found in the greatest of our playwrights and novelists, and in them alone (for no really second-rate writer possesses it); if, moreover, we find it present in proportion to their greatness, and if its presence always gives enduring value to their works, is it not possible that we have found in this creative power the *sine qua non*, the quintessential quality of fiction? Is our hunt over, our hare captured, and ready to be juggled and served up at last?

I do not think so; the doctrine, which is now so fashionable, of the single essential ingredient, has always seemed to me too great a simplification of esthetic problems. Even suppose we do find a *sine qua non* in art, a quality in the absence of which esthetic value is always absent, how can we say that other qualities, non-esthetic in themselves, do not acquire an intrinsic art-value when they combine with the essential quality in, as it were, a kind of chemical combination?

But however that may be, once we think of foreign literature, we shall see that character-creation is not really even a *sine qua non* in fiction—that it is hardly more an essential element in it than portraiture is an essential ingredient in the art of painting. To make hare-soup, one must, of course, first catch one's hare; but there are many other excellent kinds of soup brewed in the world's kitchens. How many of these living and self-subsistent beings, like Hamlet or Falstaff or Pickwick or Mr. Micawber, do we find outside of English literature? Hardly as many, I feel inclined to say, as in one play of Shakespeare, or one novel of Dickens or Jane Austen.

It would be pleasant to sit down and read through the whole of European fiction to find if this is really so; but not having leisure now for that perusal, I can only look into the phantasmagoria of memory to see what personages of foreign literature start to life at the evocation of their names. The Achilles and Agamemnon of Homer appear and speak with their individual voices; and Nausicaa is clad with an exquisite immortality. In my memory of the Greek drama I find ideal types and noble beings, but no really independent self-subsistent characters. Nor do I find them in Racine, nor in French fiction—in Stendhal or in Balzac. The truth is, I think, that this kind of creation is a special characteristic of English literature. We may find its roots perhaps in Chaucer, but it was in Shakespeare that it burst into exuberant and amazing blossom; and it is from Shakespeare that our great novelists derived their conception of it, and their method of portrayal.

Continental writers, whose ideal has on the whole been the classical one of turning events into ideas, and making them into food for the mind, have on the whole found typical personages, rather than "characters," better and more transparent vehicles for their criticism of life—for their study of human relations and passions and circumstances. There are exceptions no doubt—there is Cervantes, who created Don Quixote; and there are the Russians, who have imitated English fiction. In our own day also there is Proust, who, as I should like to suggest to my fellow-huntsmen, has succeeded in moulding into living characters, with their own idiosyncrasies of speech, the most subtle complexities of our modern and self-conscious human nature. Nevertheless, character-creation, as we find it in English literature, is not, on the whole, an essential element in Continental fiction.

If we should attempt to take, from a classical and Continental standpoint, a general view of our English

novels, might they not appear, in spite of—and even, perhaps, on account of—their swarming abundance of living characters, somewhat trivial and superficial as analyses of life? Are not our immense miscellaneous English novels rather like immense picnics and meaningless outings, in which a lot of odd people meet together in irrelevant horseplay, and then separate or pair off for no especial reason? Are not their different episodes of more importance than the whole impression they create? And have the individual characters in them much more than a casual relation with the novel in which they happen to appear? Could not the great characters of Dickens have figured just as well in almost any other of his novels? And hasn't the power of creating independent beings in some ways embarrassed even our greatest writers? Didn't that monster of exuberance, Falstaff, pull down, like Samson, the structure of the plays in which he figured, and didn't the most consummate of English artists endanger the scheme of his great epic by making his Devil so much more alive, and so much more interesting, than his God?

"By all means," a Continental spectator of our coursing might address us, "by all means hunt your hare, and when you catch it and serve it up, we hope that we shall be invited to the feast. The brown hare of your meadows is a creature which, though it sometimes goes mad in March, possesses admirable and even magical properties. And certainly its antics are a source of inexhaustible amusement. But it is indigenous to England, and is scarcely to be found abroad, save in Russia, whither its breed has been imported from your shores. The game we are after, our *lievre*, is the mountain hare; to us it seems a creature of a rarer, more quintessential and almost divine quality; and its native home is on those ranges of thought, upon those high, Muse-haunted mountains where the ancient Greeks, not unaccompanied by the Immortals, were wont to pursue the chase."

WINTER GOLF.

"GOLF is not a winter game," growls the golfer as he waits, stamping and doing cabman's exercise on the tee to a short hole. He is exposed to an icy wind, and has left his mittens at home. His ball has just kicked off a half-frozen wormcast when it was making straight for the hole. Two slow, fat, obstinate old gentlemen, who would rather die than let him pass, are playing ping-pong across that short-hole green from one bunker to another, and have not even begun to putt. When, if ever, they hole out, he will have to tee his ball not on grass, but on an insulting mat.

"Golf is not a summer game," that very same golfer will be groaning a few months hence as he mops his brow and debates whether or not to risk appearances and the dislocation of his swing and take his coat off. Now no breath of air percolates through the thick leaves; there are cracks in the fairway; the greens are like skating rinks; the only way to stop on them is to jump the bunkers; and a puritanical Committee has removed the old man in a shed who used to purvey drinks at the tenth tee. Golf is, in fact, most likely to be consistently pleasant in spring or autumn; but if one tries to recall the best days of all, days that are memorable not for the sweets of victory nor for long putts nor for the secret of driving erroneously believed to have been discovered, then the palm must be given to winter. At least, it is so in my own case. It is December, January, February that makes for golfing rhapsodies.

There was one day spent on a little private course in a park with two of the most cheerful and rudimentary

golfers of my acquaintance. Their good clubs are rust now; I am afraid the course has ceased to be; nor do I remember very clearly any one of the holes; but we had our lunch out of doors, sandwiches and, as I like to think, the hard-boiled eggs which are symbols of romance, and we ate them in an old pit full of dry leaves with tall beeches over our heads. It was only the other day that I was reminded of it when a friend told me of a little secret course on which he sometimes goes to play. It is on a common, with never an artificial hazard on it: you pay a green fee of a shilling; there are never more than six people there on a Sunday; you take your lunch with you, and get a glass of beer from the "Red Cow" or the "Pair of Compasses." He does not know its name; all he knows is that it is somewhere in Hertfordshire. Perhaps both his course and mine are in fairyland and never really existed.

There was a whole week of heavenly days at Lelant, in Cornwall, and these, I know, were real. It was a Christmas of bitter frost and fog in London. No cab stirred in the streets. We had to send our luggage in front of us and get to Paddington, bearing only our precious clubs, by the Underground. Till we had passed Gloucestershire we could not see a yard out of the windows, and then gradually our coats and scarves "dropped from us like the needles shaken from out the gusty pine." We played for a whole week with a temperature of 56° or so—warm, grey, sunless days with the lightest breeze and no distracting shadows. We wore grey flannel trousers, and lay down on the greens while the other man putted; and we had letters from home pitying us for being frostbound. I have only seen Lelant once since, not as a golfer, but as a common tripper from St. Ives, at whom the players hurled curses as I walked across their line of fire; but its memory is unfading. So are those of many lovely winter days on another western course, Aberdovey, in Merioneth; and to them, too, the misfortunes of other golfers added poignancy. It has happened sometimes that snow has lain all over England. Bletchley, Rugby, Stafford, Shrewsbury—the land was white everywhere, and still the snow lay when the Welsh border had been crossed. Yet we remained serene; nay, we actually gloated and hugged ourselves. We knew that when once the train had toiled up its last climb to the little station called Talerddig and begun to race down towards the sea we should be in a green and open country—and so it was.

There have been unforgettable days at Sandwich and Rye, and in their case you always feel, or ought to feel, a proper gratitude. This coast is not as that of the West. The wind nearly always blows; it can blow cruelly till it reaches your very marrow; you have no right to expect anything else, and a winter holiday is a great adventure. It may be that for two or three days together, even for the whole holiday, the greater pleasure will be not in the golf, but in the feeling of noble endurance; of the snugness and cosiness to come and of having earned your tea. It is a great moment at Sandwich when you find that the wind has blown itself out in the night, and as you almost dance along the wide strath of turf on the way to the seventh hole you see the cliffs shining white in the sun across Pegwell Bay. But I am not sure that it is not a still greater moment when you are going home from Camber, a little battered and tired in the tired little train, and Rye stands up on its hill with the sun setting behind it, looking like an enchanted city. It is so supremely agreeable to reflect on the muffins in the Dormy House billiard-room and the seat by the fire, or indeed in the fire, whence you can watch the sparks going up the chimney's black throat! I have sometimes been so cold at Rye and so beaten by the wind that I have had to play a little subsidiary game

all by myself. I have pretended that I am Tom Smart, driving across Marlborough Downs (in the clay-coloured gig with the red wheels and the vixenish mare), just in order to think about the gabled inn, the "substantial matter-of-fact fire," the bottles with green-gold labels, and the hot punch that awaited him.

This is becoming a greedier article than I had intended, and has not done justice to winter golf for its own sake. A seaside course on a fine winter day is at its best. The lies are a little softer, more yielding and helpful than at other seasons, and there is just a suspicion of damp on the putting-greens, holding out hopes of approach shots that shall make the ball bite and fizz as it pitches. Most important of all, the holes are of their proper length. Four hundred yards can no longer be compassed with a drive and a niblick, and the king of all clubs, the brassey, is at least partially restored to its kingdom. The modern ball has made of golf a generally pleasanter game. The man who organized the recent gutty-ball match at Woking, who marked out all the two-hundred-yard posts to see how far we could drive, and watched us, with an intense and slightly malevolent interest, breaking our backs with slogging, had shamefacedly to admit that he did not himself play a single shot with the stony-hearted ball. But the rubber-cored ball did one very evil deed when it nearly atrophied the brassey. In winter there are at least some wooden-club shots through the green. We may not have to "spring" the ball out of a bad lie, or cut it up quickly from beneath a slope: those difficult things are more easily done with the iron. But we do have to try now and again, with a good lie and everything in our favour, to lash a full brassey shot home on to a green, and for mere sensual pleasure as well as artistic satisfaction there is nothing quite so good. The absolute ideal is attained at such a hole as the fourth at Sandwich, where the green stands up a little above us, waiting to be won. There is the moment's doubt as to whether the ball will clear the grassy hollow or fall short and be killed on the bank. Then it is over, and we see it pitch and begin breaking to the right and in towards the hole. Finally, just in the last few yards it disappears, hidden by a fold in the ground. We know that humanly speaking we have got our four, but just a delicious doubt remains as to a putt for a three. It is one of the consolations of growing older that we shall enjoy this sensation more and more often, for the shorter our drives the more brassey shots we shall have to play. Only we must take care to play with others similarly enfeebled. To see the other fellow taking his iron strangely spoils the fun.

BERNARD DARWIN.

MUSIC

ENGLISH OPERA AND ENGLISH SINGERS.

MR. RUTLAND BOUGHTON is the *enfant terrible* of English opera. We have persuaded ourselves for years—or, at any rate, we have all tacitly agreed to pretend—that English opera must be conducted according to certain accepted conventions of style derived mainly from Italian, though partly from German, traditions, which no one with any sense of propriety could possibly dream of infringing. They have become as automatic as ordinary good manners. To destroy them altogether—were such a cataclysm conceivable—would be to break up our entire operatic civilization. It would mean asking ourselves seriously what opera means, reconstructing our whole scheme of artistic values, building up from the beginning, on that insecurest of foundations, common sense, an entirely new and perilous system; it would mean, in one dreadful and

to the English operatic community unspeakable word—thinking! Little could the British National Opera Company have guessed what they were letting themselves in for when they undertook to produce “Alkestis.” But it was the work of a British National composer; theirs not to reason why—we are determined to become, we have, indeed, become, a musical nation, and who should set an example of disinterested patriotism if not England’s operatic singers? How very hard it is to be a Christian, said Mr. Browning—almost as hard, I suppose, as for an English operatic singer to sing English poetry to English melody. “The Perfect Fool” was child’s play in comparison, for it was obviously, even to an operatic singer obviously, a satire on conventional grand opera, so that obviously the worse it were sung the more satirical it would sound. But “Alkestis”! A Greek play, translated by an Oxford professor, with strings of interminable monologues, with choruses as complicated as—what do they call those silly old things?—“madrigals”; with characters who come on and spout for a quarter of an hour on end, and then are never seen again; with a heroine who dies in the first act, only to be resurrected voiceless in the second; with a tenor hero who is always on and off, but consistently unheroic and miserably provided with B flats—well, let Glastonbury amateurs amuse themselves with that sort of thing if they like.

Mr. Boughton, dreadful child, tells the operatic truth. Clumsily, one must admit, but with a disarmingly childlike simplicity. He has taken English verse made by a finished literary craftsman, and clothed it with straightforward tunes as simple as folksongs. It all looks as if nothing could be easier to sing. The British National singers, with Wagner and Puccini at their fingers’ ends—the conventional phrase is not so absurd as it might seem, for an operatic singer must at least know how to wave his arms—appeared to find it as difficult as if it had been in some border dialect of Switzerland. The one singer who made her part really live was the one who had had no previous operatic experience—Miss Clara Serena. She made little attempt to act, she sang with hardly any variation of vocal colour, she gave little impression of understanding what the words meant. But she did sing them; every word was clearly audible, and every musical phrase had melodious shape. She did at least give us contact with both poet and composer, a foothold at least for our own imagination. The others, in the conventional critics’ phrase, “worked hard.” They did, at any rate, their best to uphold the correct operatic conventions. When I read through the score of “Alkestis” at home, I rejoiced to think that Mr. Boughton had at last shed most of his Wagnerian and other preoccupations. At Covent Garden I found myself constantly guilty of careless judgment, for the singers, and to some extent the orchestra, too, had been sharper than I was at picking out familiar phrases which they could interpret in the familiar operatic style. I must confess that I am more interested in Mr. Boughton’s own music than in his musical reminiscences; and I am still more interested in his relation to English opera in general, veiled in futurity though it may be.

I should like to see an English opera company start work—I mean, start their own training—on such material as “Alkestis,” and instead of trying to make English opera sound as much like Italian or German opera as possible, begin by developing an absolutely English operatic style. I do not wish them to ignore the works of foreign composers, either past or present, but I am convinced that they would interpret those foreign works to English audiences all the more intelligently if they had a sound and honest common-sense English operatic style to which they might assimilate them. It is true that one may see in Germany ridiculous performances of Italian operas and equally ridiculous performances of German operas in Italy, but in neither of those countries are genuinely fine interpretations impossible, or (in first-class theatres) even exceptional. For in neither Germany nor Italy could opera be described by a local lexicographer as “an exotic and irrational entertainment.” Dr. Johnson, one hoped, was going to be disposed of once

and for all by the formation of the British National Opera Company. If it has not yet laid that ghost, let us throw the blame on the convenient shoulders of the British public. May it not be that when Siegfried and Aida express their emotions in sounds which, since they are unrecognizable as English, must surely be German or Italian, a romantic audience—and all English audiences are romantic—sees the walls of the Grand Tier rise once more and diamonds glitter in foggy boxes? Even to my bald scalp there comes a thrill; does not my fair neighbour feel the weight of an imaginary tiara? Are we not, indeed, at the Royal Italian Opera? And what business has that young man from Glastonbury among so distinguished a company? The Waterloo Road is the right place for him.

Yet, after all, the British National Opera Company have produced “Alkestis,” and I am determined to cherish the fond illusion of their patriotism. They have produced “The Perfect Fool,” and when I listen to its spoken dialogue I realize, as never before, how many varieties of English our far-flung Empire produces. Here, indeed, is the happy solution of the problem, for every British citizen can glow with pride at the thought that operatic entertainment can be both native and exotic at one and the same time. Of what use are Societies for Pure English, phoneticians, and Poets Laureate? At the best all they can offer us is Oxford English. In other countries there is a standard French or standard German of the stage. What can our stage offer us? The English of Stratford-on-Avon or the English of Stratford-atte-Bow? No, the only possible language is British National Operatic English, the English of the Empire; and down with Professor Murray and Mr. Boughton! I note, as I write, that this morning’s paper announces the withdrawal of “Alkestis” and the substitution of “Faust.”

“Alkestis” is, in many ways, a badly made work built of commonplace material. But it brings new ideas into opera, English or international, new principles of construction. Hofmannsthal has translated Euripides into German, and Richard Strauss has made it into an opera. Consider “Elektra” and “Alkestis” together for a moment, not as a contemporary critic, but as a historian viewing them at some two centuries’ distance. “Elektra” marks the end of a style which Strauss himself has abandoned, and Strauss himself has long ceased to be a pioneer. “Alkestis” is a beginning. It may not seem so to the ordinary opera-goer, because its musical style is oddly remote from that of to-day, recalling, as it does, the Greek-play music and the literary part-songs of Parry and Stanford. Mr. Boughton has at least felt their nobility, and the most profoundly beautiful moments in “Alkestis” are those in which he clearly acknowledges his native teachers. But the British National Opera Company are at Covent Garden, and that house demands reverence for its own traditions. Full or half-empty—*Salve dimora casta e pura!*

EDWARD J. DENT.

FROM ALPHA TO OMEGA.

THE late Government, of which Lord Curzon was a distinguished member, in its death agony appointed a Commission of Fine Arts, of which Lord Curzon is to be a distinguished member. The good taste of this feverish draining of the cup of patronage to its dregs may be questioned. It looks as if the new Government is irrevocably committed to the Commission thus foisted on it, and—what is worse—that the Commission itself has been given power to determine its future membership.

Of course, no one in his senses dreams of questioning the good faith and absolute disinterestedness of the seven gentle- and two noble-men who have taken it upon

themselves to instruct the nation in beauty, but it is impossible to believe that their influence, if they are suffered to exercise it officially, will be anything but bad. The fact is, public bodies have of late begun to show some slight signs, not perhaps of desiring art, but of mistrusting the Victorian tradition in general and the Royal Academy in particular. It is significant that one of the greatest of our municipalities went so far the other day as seriously to consider the employing of that fine sculptor Mr. Dobson on its war memorial. Rumours of heretical tendencies in public taste have for some time abounded. It was time for the Royal Academy and its friends to act—in the interests of art, of course. In future, with all the authority of the Government and Lord Curzon behind him, Sir Aston Webb, P.R.A., will be there, to advise that only such architects be employed on public works as can be trusted to produce something on a level with his own masterpiece, the Victoria and Albert Museum—a monument which some even of his own colleagues must know is a classic example of vulgarly ungrammatical architecture. While, lest any uninstructed town council should think of employing Mr. Dobson or Mr. Epstein, here is Sir George Frampton, R.A., to keep the mind of the public fixed ever on the highest, pointing modestly to his Nurse Cavell as, if not the ideal, at least the direction in which the ideal lies. For all which good advice the Nation is to pay £2,000 a year—a sum which might work wonders applied to the purchase of modern painting, or would make a useful supplement to the miserable pittance doled out to the National Gallery. I hope the Labour Government will seize this early opportunity of showing that it takes art a little more seriously than its predecessors have taken it.

GENERALLY when reading or looking at a modern verse drama, one is left in considerable doubt as to whether the author wrote in that form because he really felt impelled to do so, or merely because he is a compatriot of Shakespeare. Anyhow, the fact remains that for a good hundred years all the best drama has been written in prose. But the Gala Performance of the "Playbox" on January 20th certainly introduced to the playgoing public two genuine poetic dramas, which were not only good acting plays, but which were all the better for being in verse. I have never seen "Lear's Wife" on the stage, but Mr. Gordon Bottomley's prelude to "Macbeth," "Gruach," is probably the best stage-play he has written; certainly it is far more effective in the theatre than "Britain's Daughter" and just as distinguished as poetry. Perhaps the departure of Gruach and Macbeth might be hurried up a little. They rather hung about at a moment when speed was everything. But an admirable unity pervades the whole play; the end, showing Gruach's neglected lover going quietly back to bed, while the eloping lovers are flying away through the snow, was effective in a very subtle way. It was bathos, without being bathetic. The acting was not very lively. Mr. Aylmer gave a good performance as Conan, the boorish and unintelligent bridegroom; and Miss Hilda Bruce Potter was very finished as Fern; but Macbeth, though dignified, was a trifle heavy. A strong, silent man was hardly Mr. Bottomley's conception of the part. Still, the whole performance was very enjoyable.

"PHOENIX," Mr. Lascelles Abercrombie's amusing rearrangement of the Cressida story, was quite delightful and played with admirable spirit. The speeches are extremely lively, and the comedy reaches a remarkable level of theatrical efficiency for a writer who has

written so little for the stage. The warm reception given to the play should encourage him to continue. All the acting was very good. Miss Mary Clare was perfectly right as Rhodope, the eternal feminine, while the guileless youth Phoenix was magnificently played by quite a young actor, Mr. Robert Harris, who displayed not only a charming personality, but an immense capacity for dealing with the extremely difficult and irregular blank verse. Organizers of Phoenix Societies and revivers of Shakespeare generally should keep their eye on Mr. Harris, who has obviously an unusual sense of rhythm. Incidentally, it would be a good thing if modern verse dramatists thought a little bit more about declamation and a little less about prosody when they are writing their plays. The strain on the actors must often be terrific when reciting modern poetry.

It is explained in the rather pompous foreword to the catalogue of "Pictures by Eminent Artists" at the Beaux-Arts Gallery, Bruton Place, that the object of the exhibition is to introduce Art to Democracy, and to bring beauty into the "homes of the people." The most noteworthy fact about it is that all the pictures, even those by the most expensive Academicians, cost only thirty guineas. Whether "the people" can afford to give thirty guineas for a picture, and whether, in any case, many of the pictures shown are not much too highly priced, are other questions. None of them are very large or "important" pictures; naturally, the more eminent the artist, the less important the picture he shows for this price, till finally we reach a completely unimportant drawing by Sir William Orpen. The price is the only thing that the pictures have in common, for all schools are here united—the Academy, the New English Art Club, the London Group—and the exhibits, which, on the whole, are poor specimens of their different schools, are as diverse as they could well be in manner and feeling. They range from sentimental effusions like Mr. Jamieson's "They Grew in our Garden" to the cynical, witty "Honeymoon" of Miss Thérèse Lessore.

OMICRON.

POETRY

THE HEIFER.

SHE stood, this young white heifer, looking down
From the little hill
That thrust the green of its rounded body up
To the sky's still blue.

She stared down at me with her patient, opened-wide
Mysterious eyes,
Till I wondered what ancient memories endured
In the brain behind.

Did she see the dusky worshippers swarm and throng
To a temple side,
Bowling in adoration dumb at her festival,
Their goddess mild?

Or was she led with glad music and with dance,
A frightened offering,
Head garlanded and white flanks flower-wreathed,
To an altared hill?

Down at me she gazed with her baffling, mild
Mysterious eyes,
And still she stared as I turned myself away
From the green hillside.

CLAUDE COLLEER ABBOTT.

THE WORLD OF BOOKS

PIRANDELLO.

LUIGI PIRANDELLO, three of whose plays have just been none too well translated (Dent, 10s. 6d.), is not so well known in England as he deserves to be. This is, to a great extent, the fault of the Censor, who suppressed "Six Characters in Search of an Author," a play which is considered a masterpiece nearly everywhere except in the Censor's office. Pirandello is certainly one of the most remarkable writers in Europe. For my own part, I think, that now Proust is dead, he is the greatest living writer with whose works I am acquainted. Certainly no one who reads carefully the volume above mentioned will go on being able to pretend that Germans are nowadays the only people who know how to write plays.

PIRANDELLO is one of the most intellectual writers who have ever lived. Anyone who has seen his plays acted—in countries where the British Censorship is unknown—will agree that they are fine acting plays. But he deals almost exclusively with ideas—almost with one idea—the relation of the world of the imagination to the world of reality. Pirandello believes that "nothing is but the mind makes it so." In "Six Characters," the curtain goes up on some half-formed creatures, unfinished products of an author's imagination, who burst in on a vulgar theatrical troupe whom they implore to allow them to fulfil their destiny. The troupe naturally cannot consider these shadows real people in the sense they are themselves. But the Characters, Pirandello, and gradually the public know better, and the Characters are eventually allowed to play out their tragic destiny on the stage.

"The Father: I marvel at your incredulity, gentlemen. Are you not accustomed to see the characters created by an author spring to life in yourselves and face each other? Just because there is no book which contains us you refuse to believe."

"The Step-daughter (*advances towards the Stage-Manager, smiling and coquettish*): Believe me, we are really six most interesting characters, sir; side-tracked, however."

"The Father: Yes, sir, that is the word—in the sense, that is, that the author who created us alive no longer wished or was no longer able materially to put us into a work of art. And this was a real crime, sir, because he who has the luck to be born a character can laugh even at death. He cannot die. The man, the writer, the instrument of the creation, but his creation does not die. And to live for ever it does not need to have extraordinary gifts or to be able to work wonders. Who was Sancho Panza? Who was Don Abbondio? Yet they live eternally," &c.

As the drama proceeds, the "Characters" become more and more genuine, while the ephemeral living people grow more and more shadowy, as destiny drives the characters on to destruction. It is entirely a tragedy of ideas. Yet it is a comedy, too, an exhibition of wit, almost in a seventeenth-century meaning of the word.

THE second play translated, "Henry IV.," is probably the greatest achievement of the author. A young man gets a "fixation" that he is the Emperor Henry IV. of Germany. He lives all alone in his house, surrounded by servants dressed in the costumes of the period, and fits all his own life into this delusion. His relations come to cure him, and are momentarily successful till he realizes that "real" life is intolerable after his imaginary life, and returns to his imperial

visions. He is the Hamlet of the twentieth century. Yet he really lives, as his sane relations do not. The key to this extraordinary tragedy may be found in a conversation between Henry IV. and one of his attendants, who is complaining of the boredom they suffer, always pretending to be someone else;—

"I say that you are fools. You ought to have known how to create a fantasy for yourselves, not to act it for yourselves, not to act it for me or anyone coming to see me; but, naturally, simply, day by day, feeling yourselves in the history of the eleventh century, here at the court of your Emperor, Henry IV. You, Ordulph, alive in the Castle of Goslar, waking up in the morning, getting out of bed, and entering straightway into the dream, that would be no more a dream, because you would have lived it, felt it all alive in you. You would have drunk it in with the air you breathed: yet knowing all the time that it was a dream, so that you could better enjoy the privilege afforded you of having to do nothing else but to live this dream, this far-off and yet actual dream! And to think that at a distance of eight centuries from this remote age of ours, so coloured and so sepulchral, the men of the twentieth century are torturing themselves in ceaseless anxiety to know how their fates and fortunes will work out; whereas you are already in history with me. . . ."

"Landolph: Yes, yes, very good."

"Henry IV.: Everything determined, everything settled."

"Ordulph: Yes, yes!"

"Henry IV.: And sad as is my lot, hideous as some of the events are, bitter the struggle and troublous the times—still all history! All history that cannot change, understand! All fixed for ever. And you could have admired at your ease how every effect followed obediently its cause with perfect logic, how every event took place precisely and coherently in each minute particular! The pleasure, the pleasure of history, in fact, which is so great, was yours. . . ."

THE third play translated in this volume is given the rather unhappy title of "Right You Are," though, as the translator truly remarks, "As You Like It" would have been a much better title as well as much nearer the Italian. It is a very finished little farce with a very Pirandellian moral. Three characters accuse each other of being mad, and give quite different and equally plausible accounts of their conduct to the inhabitants of a small, gossiping country town, who themselves go almost mad with thwarted curiosity as to where the truth lies. And, unfortunately, there is no means of finding out, as an earthquake has just destroyed all the inhabitants and all the official papers in the village from which these creatures have recently arrived. Nobody can by his own unguided intelligence decide between the three stories, or answer the arguments of the one intelligent person in the town, who says that after all we must simply believe all three, as, no doubt, they are all three right and all three wrong—a highly Pirandellian conclusion.

PIRANDELLO, it will be seen, always starts off with some violent and fantastic psychological situation. But after that his whole action consists in the clash of purely mental states. He writes not at all either the comedy of manners or the tragedy of action. His interest is purely in the workings of the brain, and he has produced a style of drama that is entirely new in the history of literature.

FRANCIS BIRRELL.

REVIEWS

THE EASTERN EMPIRE.

The Cambridge Medieval History.—Vol. IV., **The Eastern Roman Empire, 717-1453.** (Cambridge University Press. 50s.)

THE editors, very wisely, have devoted this fourth volume to Byzantine affairs, and have taken the history of the Eastern Empire down to the fall of Constantinople. As Professor Bury writes in the introduction: "The orbit of Byzantium, the history of the peoples and States which moved within that orbit and always looked to it as the central body, giver of light and heat, did, indeed, at some points, touch or traverse the orbits of Western European States, but the development of these on the whole was not deeply affected or sensibly perturbed by what happened east of Italy or south of the Danube. . . . It is thus possible to follow the history of the Eastern Roman Empire from the eighth century to its fall, along with those of its neighbours and clients, independently of the rest of Europe." Readers of this great compilation will have the present volume always at hand for reference and comparison with the parallel current of Western history; on the other hand, they can traverse now, without delay, directly and swiftly, a large and very important tract of political and social history. Eastern and Western development, for many centuries, run together and yet apart, as the railway alternately touches and parts from the course of a great river; through Byzantium we come more directly and rapidly to the end of the Middle Ages; through Western history we shall yet have many windings to follow; more uncertainties of direction, more romance, and a road over which we shall linger in many volumes yet to come.

In spite of all that Professors Bury and Diehl have to tell us—and it is to them that we naturally turn first, rather than take each chapter in editors' and printer's order—there is not the same interest in this volume as would have attached to a similar story of the Middle Ages proper in Western Europe. Indeed, it is the best testimonial to editors and contributors that the volume should be as good as it is, and give so much impression of general unity. The events and the movements of these seven centuries constantly remind us how artificial were many of the bonds which bound this great State together, and how often cohesion was purchased by compromise, not only of minor detail, but even of principle. In spite of all the good things that may here be read, we are sometimes reminded of the Bishop of Durham's complacent boast that he and Mrs. Barrington had never had a serious difference in the whole long course of their married life, and of Paley's reply: "How dull, my lord!" Under the immediate spell of a few writers we forget this; but the whole volume leaves us still, in the main, under the impression with which we began it as ignorant outsiders; we have here, side by side with the years of Europe, something like a cycle of Cathay.

And we miss, in those two brilliant final chapters summarizing Byzantine government and civilization, what has always seemed to us the most significant sentence in Benjamin of Tudela. That learned and observant Jew wrote of the Constantinopolitans in 1162: "They are well skilled in the Greek sciences, and live comfortably, every man under his vine and fig-tree. They hire soldiers of all nations, whom they call barbarians, to carry on wars with the Sultan of the Turks. They have no martial spirit themselves, and, like women, are unfit for warlike enterprises." In mechanical inventions for war, in science of fortification and strategy and tactics, they were far ahead of the West or the Middle East; yet in 1204 they went down immediately before the rough crusaders, and since 1453 they have been slaves to the Turks. In spite of the protest more than once voiced or implied in this volume, our thoughts turn repeatedly to China, where (as Mr. Lowes Dickinson tells us) the main ambition is to till one's own plot of ground, to combine comfort with dignified leisure, and to let the world go by. We feel, after all, that the Byzantine Empire did little more than mark time for all those centuries, and that the West was doing better, where men looked upon the problems of life more as Huxley regarded them: "We have

got the wolf by the ear, and we can't let go or cease to struggle."

Strangely Chinese, also, were the perfection and fertility of the Byzantine minor arts, while the West was rearing, in common stone, great buildings even more wonderful than Sancta Sophia with its marbles. And certainly the many readers to whom much in this volume will be new will find a deep fascination in this novelty. Mr. Horatio Brown tells us nine centuries of Venetian history, and none could tell it better; Professor Bréhier recounts the ecclesiastical struggle between Rome and Constantinople; Dr. William Miller deals fully with the Balkan States and other matters of equal interest; Sir Thomas Arnold describes Muslim religion, art, and literature during the period. But we turn again to those with which we began—Professor Bury's brief summaries and Professor Diehl on the Latin Crusade of 1204 and on Byzantine social history. With Diehl we wander round this city as the Queen of Sheba wandered round Jerusalem; and we see why Villehardouin declared that no man could have believed, unless he had seen it with his own eyes. We take stock of the ivory and apes and peacocks, and see ordinary citizens in such silks as nobles wore elsewhere; and palaces greater than the whole of a city in the West; and a church for every one of the 365 days; and a wealth of ceremonialism and symbolism, a multitude and a power of monks, a unity of Church and State, even outdoing Roman Christendom; a great empire boasting as its keystone: "One master, one faith." Here, also, if we could be carried back, we should find an absence of Puritanism such as the contemporary West could not have boasted; mediæval Constantinople takes us "somewhere east of Suez, where the best is like the worst." Yet everywhere we are met with "one master, one faith," and we feel that Byzantium is a good world to read about, but here is a better, if a less comfortable, world to live in.

The editors deserve all praise for their trouble spent on the index and other technical details which add so much to a book's permanent value; and we look forward impatiently to the next volume.

G. G. COULTON.

DOES ETHICS INFLUENCE LIFE?

Civilization and Ethics. (The Philosophy of Civilization, Part II.) By ALBERT SCHWEITZER. Translated by JOHN NAISH. (Black, 10s. 6d.)

DR. SCHWEITZER's book is of considerable importance, and deserves to be read with care. The translator tells us that the lectures at Mansfield College, on which the book is based, were delivered in French, while the MS. was in German. The explanation is that Dr. Schweitzer is an Alsatian; and this no doubt has given him a certain impartiality in the conflicts of our age.

Dr. Schweitzer traces our misfortunes to a curious source: the mistaken belief that our views on ethics must be dependent upon our views as to the nature of the world. He greatly admires the eighteenth century, because of its enlightenment and optimism. But machinery and Darwinism and other modern improvements destroyed optimism about the nature of the world, and therefore (because of the above erroneous belief) also destroyed men's ethical optimism, though the outward form of optimism was preserved by degrading ethical valuations to the level of what were thought to be facts about the actual world. Hence our profound immorality, with all its attendant ruin.

Dr. Schweitzer's own position is agnostic as to the real world. He is more or less Kantian both in this matter and in the belief that ethics can stand without any support from metaphysics. But he does not follow the "Critique of Practical Reason" in using ethics to establish metaphysical conclusions. His ethics consists of a single principle, which he calls "reverence for life." This principle he carries almost as far as the Buddhists. He says that if you work with a lamp on a hot summer night you should keep your windows shut for fear of hurting moths; that if, on a wet day, you find a worm on the pavement you should pick it up and put it on damp earth; and so on. Nevertheless, he does not enjoin vegetarianism or condemn vivisection, though on the latter subject he has qualms. It is not clear whether he is an out-and-out pacifist, though he commends the Quakers as the only religious body which throughout the war remained

faithful to the teaching of Christ. He holds, as against the Socialists, that private property and inheritance are sacred rights, which cannot be taken away without infringing his principle of reverence for life; though, of course, he goes on to say that it is our moral duty to use our property for the benefit of the community.

These positive conclusions are contained in the last few chapters; the bulk of the book is concerned in discussing European philosophers from Socrates to Count Kayserling, and affirming their inferiority to the philosophers of India and China, whom he does not discuss. One must suppose that these critical chapters appear to the author, and will appear to many readers, to afford a solid argumentative foundation for his own opinions. This, however, is not and cannot be the case: his criticisms all assume his own point of view, and are only valid if that is granted. For my part, I share his opinions to a very great extent; but I should not attempt to give a basis for an ethical opinion by criticism of the stock philosophers. The argument that what ought to be cannot be deduced from what is seems to me valid, and sufficient to condemn almost all European ethics and metaphysics, which have attained their "profundity" by confusing the good with the true. But it follows that when a man tells us "such-and-such is good in itself" he cannot advance any valid argument for his position, nor can we advance any valid argument against it. What passes for argument, on such questions, is really exhortation or rhetoric; and, for my part, I should prefer not to disguise this fact by an apparatus of irrelevant erudition.

There are two matters of importance on which I find myself in disagreement with Dr. Schweitzer. One concerns his ethical criterion of reverence for life, and the possibility of using it to decide practical difficulties; the other concerns the causal importance of ethical opinions in relation to public events.

Life, in itself, seems to be neither good nor bad, and it is difficult to see why we should reverence it. We do not know how far the lower forms of life are associated with sentience; and, apart from sentience, living matter is ethically indistinguishable from dead matter. There are passages which suggest that Dr. Schweitzer believes in hylozoism; he speaks of destroying an ice crystal in the same way in which he speaks of destroying a flower or a moth. But, if so, he falls into the error which he is chiefly concerned to attack, namely, that of founding his ethic upon a highly disputable metaphysic. He certainly conceives "life" in some more or less mystical way: he defends mysticism, and urges that ethics should be "cosmic." It is difficult to understand what he means by this, since human actions can only affect events on or near the surface of the earth. Physics is "cosmic" because it applies to the whole known universe; but ethics seems as terrestrial as geography, unless we assume some such view of the world as Dr. Schweitzer rightly declares to be ethically irrelevant.

Passing by these difficulties, and confining ourselves to the higher forms of life, we find that they contain not only all that is good in the known universe, but also all that is bad. If reverence for life is the good, a tiger must be bad. If we assign to the tiger the same importance as to each of the animals that it kills, we shall kill it in order to maximize life. We are thus committed to a calculus of causes and effects, just as the utilitarians were. All the usual justifications of war, slavery, &c., become theoretically admissible, and must be examined on their merits, not dismissed *à priori*. This is not what Dr. Schweitzer intends. He wishes us to decide each moral problem in some intuitionist way which is not clearly defined. He says: "Only the reverence of my will-to-live for every other will-to-live is genuinely ethical. Whenever I sacrifice or injure life in any way I am not ethical, but rather am I guilty, whether it be egoistically guilty for the sake of maintaining my own existence or well-being, or unegoistically guilty with a view to maintaining those of a majority." It follows that a man who kills a tiger is "guilty"; and yet Dr. Schweitzer would not say that we ought to abstain from killing tigers. On this point he seems to have failed to think out his ethic, as also on the different degrees of intrinsic value attaching to different forms of life.

Finally, it is difficult to agree with Dr. Schweitzer in the importance which he attaches to ethical opinions as a cause. If all the professors of ethics in all the universities of the world had taught his ethical system throughout the last 100

years, I doubt whether one line of the Versailles Treaty would have been different from what it is. It is true that the ethical opinions of the average man have altered during the last century, but they have altered as a result of machinery, not of academic theory, and they have altered so as to justify what the average man was going to do in any case. Speaking causally, our ethics are an effect of our actions, not *vice versa*; instead of practising what we preach, we find it more convenient to preach what we practise. When our practice leads us to disaster we tend to alter it, and at the same time to alter our ethics; but the alteration of our ethics is not the cause of the alteration of our practice. Experience of pain affects the behaviour of animals and infants, although they have no morals; it affects the behaviour of adult human beings in the same way, but the change is accompanied by ethical reflections which we falsely imagine to be its cause. Dr. Schweitzer's book is an example of such reflections. But neither it nor its academic predecessors seem to the present reviewer to have that importance in moulding events which the author attributes to them.

BERTRAND RUSSELL.

THE BAGDAD RAILWAY.

Turkey, the Great Powers, and the Bagdad Railway: a Study in Imperialism. By EDWARD MEAD EARLE. (Macmillan. 10s. 6d.)

THIS book is an important contribution towards the study of Western Imperialism in its modern phase. In the Near and Middle East, the region selected for treatment, that phase may be said to begin some time between 1875 (the Bosnian Rebellion) and 1885 (the rounding off of the Russian conquests in Central Asia), and the author's subject offers him the year 1888 as a precise starting-point. From that date onwards Professor Earle tells the story of the Bagdad Railway in its widest bearings, down to the recent Peace Conference at Lausanne and the granting of the "Chester Concession." He has drawn his information from good sources, which include not only printed documents (of both official and private origin), but manuscript memoranda from, and oral conversations with, some of the principal German and Turkish actors in the drama—for example, Javid Bey (the best financier in the Union and Progress Party) and Drs. Helfferich and von Gwinner (two of the ablest promoters of the enterprise from the German side, who both of them enjoy an international reputation as leading figures in the worlds of business and of politics). What is more, the sources are effectively used, and the text of the book is well documented and well written. The author shows good judgment and fairness of mind. It is obvious that his motive—as every scholar's should be—is intellectual curiosity, and that he has no axe to grind.

The subject involves a presentation of complicated detail, but in this review there is only space to touch upon a few outstanding points of general interest. In the first place, the German promoters of the scheme appear (as might be expected in an impartial narrative) in a more favourable light than that in which they have usually been regarded—especially since the outbreak of the European War—by French and British eyes. The enterprise was a genuine commercial undertaking, which, on the eve of the war, was beginning very handsomely to pay its way, thus justifying the initial outlay and liabilities incurred by the concessionnaires on the one hand and the Ottoman Government on the other. So far from being an illegitimate fruit of political pressure, the "Kilometric Guarantee" appears (on Professor Earle's showing) to have been a legitimate commercial arrangement which ultimately brought economic profit to both the parties to the contract. Further, the concessionnaires genuinely observed the strict stipulation that they should not use the concession for purposes of discrimination or to the prejudice of the "open door" for the trade of other foreign nations in Turkey. From the outset—and this for the practical motive of obtaining capital as much as for the sake of forestalling political opposition—the concessionnaires attempted to secure the participation of French and British capitalists on fair terms; and, on occasions when they met with opposition, they often showed themselves conciliatory. In deference to Russian suscepti-

bilities, they renounced the construction of lines in North-East Anatolia, beyond Angora (the sphere of the American "Chester Concession" of 1923); while in deference to British susceptibilities they eventually renounced all but a minor share in the construction of the furthest section, between Bagdad and Basra, and agreed that this latter river-port should be the terminus instead of the open port of Kuwait on the Persian Gulf. There was never any intention of German colonization in Asia Minor; and though the construction of the railway was accompanied by "cultural penetration" in the form of schools, the Germans (in this) were only taking a very old leaf out of the diplomatic portfolio of France. At the time when the enterprise originated, Bismarck was still Imperial Chancellor, and the attitude which the German Government maintained at the beginning towards this commercial enterprise of certain private German nationals was (as Mr. Earle justly remarks) as thoroughly aloof and detached as was the attitude of the American Government towards the "Chester Concession" in 1923. Official Germany was only gradually drawn into the vortex under the influence of the late Kaiser.

It is interesting to be reminded that, in the first stages, the French and British Governments, on their part, took a reasonable and conciliatory view of these German commercial activities. The opposition in both countries was led by private vested interests, which rapidly brought their respective Governments to heel by playing upon the latent Jingoism of public opinion through the organ of the Press. Private international co-operation in this business enterprise would have been mutually advantageous economically, and might have prevented political complications from arising; and in England public opinion, to begin with, was favourably disposed, since German economic penetration of Asiatic Turkey was regarded as a desirable barrier to the Russian advance towards India and the Mediterranean. But vested interests produced a Jingo stampede; the Bagdad Railway question became involved in the Imperialistic rivalry between Great Britain and Germany (which had set hard between 1898 and 1902); Jingo publicists in the German camp, like Dr. Rohrbach, played the game of the hostile French and British interests, to the chagrin of such German initiators of the scheme as Drs. Helfferich and von Gwinner; and so the Bagdad Railway was swept into the tide of Imperialism, and added to the momentum with which that tide was sweeping the Powers towards war. Even so, however, the Foreign Offices made a creditable fight against the Admiralties, War Offices, Jingoers, and vested interests; and diplomatic agreements were reached eventually upon all the main issues between Germany, France, Great Britain, Russia, and Turkey in the zone of the Bagdad Railway—only to be converted into valueless scraps of paper by the outbreak of the war.

ARNOLD J. TOYNBEE.

DOCTOR OPIMIAN.

A Second Scrap Book. By GEORGE SAINTSBURY. (Macmillan. 7s. 6d.)

MANY things have, in the history of the world, sorted themselves out. All is known that need be known about them, and armed with rational prejudice we damn the bad and glorify the good. No one is such a sure hand at this noble sport as Professor Saintsbury.

It is as agreeable to listen to him as to open "Gryll Grange" at page one and find the learned Doctor making his catalogue of fish. In "A Second Scrap Book" he rambles from Oxford to the old broad-gauge Great Western trains—and the order of drinks throughout the day. We nod our heads weightily, purse our lips, and help ourselves to another little glass. . . .

And it's not all prejudice—far from it. There is any amount of knowledge blended in, though one does not always agree. "I always found," says Professor Saintsbury, "that the prettiest and nicest and best-dancing girls liked nothing so much (as beer)."

My own experience, offered in all humility, is that they like whiskey, though the most heavenly young lady of my acquaintance had a preference for what she called "straight" gin. But whatever the truth about the tastes of the ladies, we can all agree with the next sentence:—

"And when, hours after dinner, you come home, theatre wearied, how welcome is the voice of the Bass as it poppeth and poppleth, with the surging of the Guinness to meet it!"

Yes, Professor Saintsbury is full of sound sense, ripe experience, and wisdom of an old vintage, bottled at the Château. Only, occasionally, he speaks of the unfamiliar, and then woe betide him.

Modern trades unions, the lower classes, Bolshevism—there is a good deal about each of them, but nothing that illuminates the dark and unknown landscape. There is nothing as much to the point as Doctor Opimian's remarks on America.

What is worse is that Professor Saintsbury advocates taking cream in green tea.

Oh, fie, Sir! Green tea is green tea. Drink it neat or let it alone.

DAVID GARNETT.

THE FEMININE NOTE.

Surplus. By SYLVIA STEVENSON. (Fisher Unwin. 7s. 6d.)

The House Made With Hands. (Arrowsmith. 7s. 6d.)

Celia-Bound. By WINIFRED CARTER. (Heath Cranton. 7s. 6d.)

The Saint of the Speedway. By RIDGWELL CULLUM. (Palmer. 7s. 6d.)

Episodes. By E. JAYNE GILBERT. (Philpot. 7s. 6d.)

OWING to its unusual subject, Miss Sylvia Stevenson's "Surplus" will, I fancy, as a novel, either be overrated or underrated; but this at least is obvious, the book is a real book, one that has meant a great deal to the author, that has not been written as a commercial experiment, nor for the mere sake of writing, but out of a genuine emotion. What is most remarkable about it is, perhaps, the drawing of the character of Sally Wraith, and the fidelity with which she has been presented. Her story is the story of her friendship with another girl. I call it a friendship, because that is what Sally calls it; but in reality it is a passion more intense even than the average love existing between man and woman—more intense because it is perpetually thwarted, because it finds no satisfactory outlet, because, in the end, it becomes hopeless, a kind of sickness of the soul, a source, not of happiness, but of loneliness and despair. The relations between Sally and Averil Kennion, the well-beloved, the normal girl, are described with an admirable sincerity. It is in these relations that the drama lies, and though we may find this drama unpleasant, we cannot find it trivial or unreal. Sally, at any rate, is not spared. There is no attempt made to idealize either her nature or the nature of the affection she feels. This exacting love is shown to us in all its selfishness and unreasonableness; from the first it is darkened by jealousy; and when, after two years of life with Averil, the inevitable rupture takes place, our sympathies are more with the girl who breaks away than with the tragic and rather terrible figure left mourning and desolate. The character of Averil is indeed as fine an achievement as that of Sally, and she is an infinitely pleasanter creation. But then we must remember how much easier it was for her to be pleasant. She was not living in a state of constant repression and exasperation, perhaps all the more ruinous because of the very innocence or ignorance that seems so strangely to underlie it. There is something pathetic about this ignorance, this obstinate clinging to the idea that the tyranny of the body has been shaken off—something ironic, too, for us, the spectators of the tragedy. Yet be this clearly understood, the book is absolutely, almost fiercely, clean. In its way I should think it is unique. Certainly, as an analysis of an emotion that, though not common, is doubtless much commoner than we believe, it deserves high praise for its skill, its sanity, its courage, and its insight.

Very different (though I think I run small risk in describing it as equally feminine) is the outlook of the anonymous author of "The House Made With Hands." Yet Barbara (the heroine of this long and scrupulously careful novel), whom we follow from the hour of her birth to that of her death, also remains a spinster. Love comes to her as a delicate communion with the past, with this wonderful old house whose every whisper has a meaning for her. But she is far from inhuman. She loves the house, in fact, because she has endowed it with a human soul or personality

that is made up of all the personalities of those who, during her childhood, lived in it. And when the family is scattered, she remains faithful to the memory of the old happiness, dwells on there, indeed, at last, alone. Is there a symbol in all this? For in the end it would seem as if the house itself dies—becomes a mere empty shell just before its final and complete destruction—and that it is on a vision of a house not built with hands that Barbara's eyes close. It must be confessed that this religious note, for all its idealism, robs the earlier pages of something of their significance. Are we to take it that Barbara was loyal to no more than an illusion, that her seeming vision was in reality a blindness? Be that as it may, the book is exceptionally well written, and possesses an indefinable charm. There are moments, it is true, when this charm verges perilously on the sentimental, but tact, a hint of humour, and a very precise observation manage to save it.

Our remaining tales are far less interesting. Mrs. Carter's "Celia-Bound" is merely a readable love story with a not particularly original, though highly improbable, plot; Mr. Cullum in "The Saint of the Speedway" gives us a typical Wild West story, the screen version of which we seem to watch even while we read it; and Mr. Gilbert's "Episodes" consists of a collection of rather lurid little stories, somewhat crude in colour and treatment, divided into three groups under the titles "Sex," "Temperament," and "Tragedy."

FORREST REID.

WANTED, A CATECHIST.

A Popular History of English Poetry. By T. EARLE WELBY. (Philpot. 5s.)

WISHING to impart wisdom and understanding, our friend Izaak Walton created the most acceptable of conversation-books; and in the early part of the last century, when that notable Waltonian Sir Humphry Davy was publishing his felicitous exercise in the same fashion, the booksellers could supply almost any subject in catechism. If you would become a young geologist, you listened to the discourses of Edward, Christina, and Mrs. R. Edward the tormentor would inquire, Mrs. R. would answer magnificently, and Christina might put in an expression of delight and gratitude. Even literary history could be had in the same mode. Is it our oddity, or would not a brief history of English poetry be likelier to catch attention in the form of dialogue?

There would be one clear advantage. A popular history of English poetry, to be sure, is at once liable to become a history of popular English poetry. Here, then, is the chance. Let Alfred, Wilhelmine, and mamma forgather, and something may be accomplished:—

ALFRED: I have read, mamma, in a reputable encyclopedia, that in comparison with Marlowe the poet George Peele is as a glow-worm to a comet.

MAMMA: It is true that the splendid utterances of the author of "Tamburlaine" are of a kind not exemplified in the other. But, be assured, there is a lustre in the best passages of Peele distinct from the genius of Marlowe, and sufficient for one mortal poet. We do not ask of the oak that peculiar viridity which we observe in the walnut. If Marlowe can write with an inexpressible youth and glory, yet you will please me by examining Mr. Bullen's edition of Peele.

ALFRED: Is not Drayton known nowadays rather by his sonnet "Since there's no help, come let us kiss and part," than by the voluminous topographical tour in lines of twelve syllables, intitled "Polyolbion"?

MAMMA: I am aware that the sonnet is read, while the massive lucubration is not; but you will find, as it were, glades and alleys in "Polyolbion" of serene poetic reflection. Apart from that (for life is short), your position is not unobjectionable. Drayton has left a fairy poem of the sweetest contentment and lightness, which is often reprinted—"Nimphidia." I may satisfy you by quoting one of its ingenious stanzas, descriptive of the palace of Oberon:—

"The Walls of spiders legs are made,
Well mortized and finely layd,
He was the master of his Trade
It curiously that builded:
The Windows of the eyes of Cats,
And for the Roofe, instead of Slat,
Is couer'd with the skins of Batts,
With Mooneshine that are gilded."

WILHELMINE: I fondly admire it. I must take leave to call this a very grand fancy.

ALFRED: An interesting authority mentions Drummond of Hawthornden as "having contributed something to the metrical methods of Coventry Patmore." Is such a fact contributory to the appreciation of the earlier writer?

MAMMA: It may be; yet it gives rise to no very accurate notion of the quality of Drummond. You remember, I suppose, the celebrated fable of the eagle and the wren. The directness of Drummond's imagination, whose humblest poem begins with some such time-conquering strength as—

"More oft than once Death whispered in mine ear,"
is not in need of any of Patmore's reputation.

Having briefly ventilated a few of many particular reactions to Mr. Welby's guide-book, we must set down a general discrepancy between his view of chronicling poets and our own. He opens his preface by addressing "a public which knows English poetry chiefly through anthologies"; and, when he is considering such poets as Collins, Coleridge, Clare, he reduces them to writers of a few pieces worth any anthologist's notice. It is on this point that poets are unfortunate. They write poetry, not piecemeal, but in life-sequence, and their reward is to have a few single expressions detached and the rest of the picture discarded. Coleridge may have written much of trivial note, but—read him as a whole, and be astonished.

We take Wilhelmine's part, and rejoice in our tutor, at other things. His insight into the powers of Hood, "a consummate artist in verse," "Ariel or an avenging angel," is exceedingly fine. For Ebenezer Jones, the intense, erratic, unacknowledged non-Victorian, whose poetry largely remains in manuscript somewhere to this day, he speaks out valiantly. And even the eighteenth century, with its modest head so long adorned with the dunce's cap, has a fresh chance in his exposition; there is a particularly shrewd eulogy of Young's "Conjectures on Original Composition," a work of abiding significance and beauty.

EDMUND BLUNDEN.

THE "NEW ETHNOLOGY."

Myths of Pre-Columbian America. By DONALD A. MACKENZIE. (Gresham Publishing Co. 12s. 6d.)

Myths of China and Japan. By DONALD A. MACKENZIE. (Gresham Publishing Co. 12s. 6d.)

Few people realize that the science of ethnology has of late years been striding on seven-league boots, and that the "school" established by Prof. Elliot Smith marks as important a movement of thought as that originated by Darwin. But whereas evolutionary doctrine preceded Darwin, the theories of Elliot Smith and of those associated with him in ideas have so revolutionized the older principles of ethnology, psychology, and comparative religion that they virtually disappear, and the new historical method reigns in their stead.

Mr. Mackenzie is a very lively and learned modernist of the Elliot Smith "school." In Spence's "The Gods of Mexico," the complaint is made that the evidence as to "culture mixing" and the importation into the Maya, Toltec, Aztec, and Inca civilizations of a vast corpus of foreign myths and beliefs is as yet inadequate. Mr. Mackenzie makes such hay of this conservatism that it is quite impossible to do justice to the embarrassing weight of evidence he has collected. Nobody who reads these two volumes can have any doubt that the religious systems and symbolism of the ancient Far East and America were of Western origin, and that it is to Egypt and the civilizations closely linked with the inventors of agriculture and irrigation, Sumeria, Babylonia, Crete, and others, that we must look for light upon the infinitely complex theology of ancient Mexico and Peru, no less than of China and Japan. The theory of the "psychological unity" of mankind, of spontaneous generation, or, in other words, the appearance of similar results as the product of similar needs, can no longer be maintained. And we can breathe in this new air, so wonderfully has the appalling tangle of ancient cults from the Hebrides to Guatemala been simplified and made intelligible to any reader outside the circle of experts.

It is useless to attempt the barest summary of Mr. Mackenzie's exhaustive knowledge of folklore and mythology,

all bearing upon the central issue—that the ancient world owes the fabric of its religious thought to a common origin, that the world-wide diffusion of culture from the Nile Delta was the result of a definite psychological motive, and that the passing of Egypt from the "Neolithic" stage of industry to what Mr. W. J. Perry calls the "Food-producing" stage, owing to unique geographical conditions, was the ultimate cause why the Chinese held certain conceptions of the soul and its functions; why the tradition of the Golden Age, the Fall of Man, and the Deluge, occurs in a diversity of forms pretty well all over the ancient world; why the Egyptian winged disc was hung up at the entrances of Mexican temples; why the Secretary-bird and the Indian elephant are figured in Mexican bas-reliefs; why the Chinese dragon, the "composite wonder-beast," as Elliot Smith calls it, is the same being as Tlaloc, the Aztec rain-god; why the Mexicans knew Artemis under the signature of the mugwort-goddess; why the "Red Land" was the mythical Paradise equally to the Aztec and the Egyptian; why Quetzalcoatl, the pacifist god of the Toltecs, is represented in the Buddhist pose. To maintain that the highly artificial, stereotyped, and intricate connections between objects which have no natural relations with one another, the connections, say, between pearls and dragons, between milk and metals; to maintain that the elaborate and arbitrary burial customs common to Mongols, Dravidians, Papuans, and Egyptians, presuppose an independent origin because all men think alike, is obviously no longer within the pale of discussion. The antique mythologies were either derivative or they were the inventions of hyper-subtle madmen whose complicated delusions all took the same form.

Of course, one can over-simplify. It would be rash, indeed, to assert that the Egyptian navigators of the Pyramid Age went all over the world, handing over their agricultural civilization with the accretions of beliefs that gathered round it to every tribe in the world. But, given certain factors, the wonderful story of the mighty voyages undertaken by the cultured Egyptians and the peoples of the Mediterranean basin whom they influenced is credible enough. What they sought was the elixir of life, the life-giving substance, the "soul-stuff" they believed to reside in shells, in pearls, in gold, in jade and other precious metals, and in gems and certain plants and incense-bearing trees. For once found, these desirable things would secure them from death, pain, and ill-fortune; would grant them longevity in this world and immortality in the next. The key to the whole of ancient civilization lies in the truly magic words "givers of life," and where the voyagers settled (and the Egyptians had sea-going ships as early as 2600 B.C.) they inspired others with the same passion and desire, so easily satisfied if only the metals that contained the animating principle could be found. The search for the elixir of life is the root-cause, not merely of the uniformity of ancient belief and symbolism (locally dressed and coloured), but of the spread of the ancient civilizations, with their mining activity, their agriculture by irrigation, and their megalithic monuments in the mining areas.

Mr. Mackenzie's books are so interesting and well written that one need not stress certain minor flaws. There are too many misprints, especially in the quoted titles of books, too many repetitions, and on secondary points too many assumptions. It is very doubtful, for instance, whether Mr. Mackenzie is at all justified in assuming that the valuable substances sought by the early voyagers were traded. It is much more likely that they became the possession of ruling classes and priesthoods, and were jealously kept from common handling. But these rashnesses and carelessnesses hardly detract from the essential value and significance of Mr. Mackenzie's researches and the skill, vigour, and ability with which he has presented his material.

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the lyric he hurries to the lit eye of the poet; and in the saint he would, presumably, search for the stigmata. Here, then, are interviewing, with its fine skill and adaptability, and innocence, conventionally associated with greatness, assumed in the sitter, and as the complete recipe: First catch your lion, if possible when shaking his mane or majestic as in bronze. Great writers or scientists are not always great personalities, but Mr. Harris, however provocative or insistently dissenting in his opinions, inclines to maintain, having a good eye for picture or cast, the popular notion, and, pedestal lacking, he brings one with him. His honesty, however, being equal to his candour, he admits occasional failure; so, meeting Ivan Turgenev in an unprepared or early mood (for in this matter of interviewing the disposition of the critic is also important), he calls the resulting slight article a snapshot.

Starting from the finely human premises that love and esteem are first necessary, Mr. Harris shows much charity, for in his gallery are to be found Tolstoi, Gorky, Tyndall, Haeckel, Grant Allen, H. L. Mencken, Leonard Merrick, W. S. Blunt, Olive Schreiner, and others. The values of his impressions are changing. Certainly the fact that Wagner wore silk underclothing and was rendered irritable by a weak digestion hardly adds a diminished chord to music; on the other hand, pale disciples of Tolstoi might be shocked, as was the plain-spoken Maxim Gorky, but to another advantage, by a vivid sketch of the master laughing himself into tears over an indecent episode and turning polite words into bawdy peasant phrases—the submerged novelist, as Mr. Harris observes in other acute words, with his rich interest in complete life, reappearing. Being an excellent lover of humanity, Mr. Harris can dislike as excellently. His reactions can be anticipated and his fluctuating emotions. His belief that poets must break scanty bread in order to know the heavenly powers—surely a passing opinion of Goethe's—renders him scarcely just to the late Herbert Trench, and is certainly inconsistent with his equally constant view that art and literature should be endowed. His prejudice against Mark Twain is excessive, his contempt for Miss Amy Lowell, Brander Matthews, and many American minorities deserved silence. In two articles, labelled Gargoyles, he attacks recent American Presidents and some post-war characters in Germany. The pioneer, the extremist, the ill-treated, attract his sympathy, without, necessarily, winning his convictions. So vivid impressions of the Russian delegates at Genoa are balanced by the disillusionary views of Emma Goldmann, the well-known anarchist.

Whether Mr. Harris in *rampant* or *sejant* mood will please the better, depends on the individual reader. His enthusiastic portrait of Mr. Charles Chaplin is perhaps overagreeable and reveals the danger of criticism by contact, for the writer has evidently succumbed to a very charming personality.

In style Mr. Harris is less compact than formerly; here, there, the loose, hasty word appears. The excellent caricature, by Max Beerbohm, of Mr. Harris as "The best talker in London" is a cue. For this book is excellent, admirable talk, so admirable, indeed, that one will scarcely reread it. Sentences of violent insight or revealing caption will linger in mind as if heard, with the very inflection, tone, or quality of spoken words. The earnestness, the raising or deepening of voice in monologue we have, and in emphasis, an imaginary fist rattles the wine-glasses on the table—at times, to be truthful, spilling them.

AUSTIN CLARKE.

BOOKS IN BRIEF

Cavalier and Puritan: Ballads and Broad-sides illustrating the Period of the Great Rebellion, 1640-1660. Edited, with an Introduction and Notes, by HYDER E. ROLLINS, Ph.D. (New York: University Press.)

HERE is a real find. Professor Rollins has extracted from various collections seventy-five ballads and verse broadsides, of which only six have ever before been reprinted, and we owe him our best thanks. We may not all fully appreciate the relentless thoroughness of the editing, which will not permit the most obvious misprint to be corrected without a footnote; but that is a matter of taste. We can all rejoice in the ballads themselves, sometimes for their

own intrinsic merit, always for their sidelights on current popular opinion and on the strivings of journalism to be born. The selection is admirable in its variety. There are rhymed "leaders," such as "Thanks to the Parliament" and "A True Subject's Wish for the Happy Success of Our Royal Army," and versified news items such as "An Exact Description of the Manner How His Majesty and His Nobles went to the Parliament," and "A Dreadful Relation of the Cruel, Bloody, and Most Inhuman Massacre of the Protestants in Savoy." We have Royalist politics and Roundhead politics; savage satire on the Church in "The Bishop's Last Good-night," and on the Sects in "The Anabaptist Out of Order"; and amidst all the clash of policies and creeds, we get the point of view of the plain, honest citizen whose business is ruined by the war, and who can only exclaim, "Alas poore Trades-men What Shall We Do?" Meanwhile, under the surface, the real life of the nation is still going on, and we get some excellent drinking songs, popular romances, rough humour and rough morality blended together in variations on old fabliau themes, and even under the Commonwealth—an excellent exposition on the theme—

"'Tis above five thousand yeares agoe,
Since kissing first began."

About a score of reproductions of the original woodcuts add greatly to the value of the volume. Some of them are really good and vigorous, the others are, perhaps, no less delightful in their artlessness.

* * *

A Palestine Notebook, 1918-1923. By C. R. ASHBEE. (Heinemann. 12s. 6d.)

IN the summer of 1918 the war flung Mr. Ashbee, full of civic and artistic enthusiasm, into that little whirlpool of religious, sectarian, and political animosities we know as Jerusalem. In that city there met a small group of people, each filled with some ideal, each very hopeful: and, indeed, so long as soldiers remained in charge, hope seemed justified. The story of this book, however, is that of the collapse of these hopes under the civil administration, yet it is fascinating because Mr. Ashbee's wisdom is drawn from many sources as well as from his own sensitive, cultured mind. And although his analyses of character are superficial, the book is valuable because it tells without rancour of what always happens in such situations, and always will happen, in spite of Mr. Ashbee's hopes. Alas for the manufacture of ideals! As the Shaikh said in one of those delicious, outspoken Anatole France conversations that give the book literary value, "Say not to the singer, Sing, nor to the dancer, Dance. Things come round of themselves. It is only monkeys and politicians that run after each other's tails." But arts and crafts and all that Mr. Ashbee stands for? Again alas! The old glassmaker said, *Maftish baraka*, there is no blessing. This was phrased rather differently by another of Mr. Ashbee's characters, one with a gift of satire—"there was no political capital, no propaganda in it." The book is full of remarks, genial or caustic, one will wish from time to time to turn up. But there is no index.

* * *

Heliodorus: an Æthiopian Romance. Translated by THOMAS UNDERDOWNE. Corrected and Edited by F. A. WRIGHT. (Routledge. 7s. 6d.)

THIS is another volume in Routledge's admirable and well-chosen Broadway Translations series. The winding adventures of Theagenes and Chariclea, thoroughly conventionalized as are the persons of the romance, are surprisingly readable, more so than those of Daphnis and Chloe, while Underdowne deserves more reputation as an "Englischer" than he possesses. He is of the domestic type of translator, like Holland and, to some extent, North, and is full of jolly colloquialisms that fit the narrative to a hair. Mr. Wright's Introduction might surely have been fuller. He makes no attempt to explain, for instance, who Heliodorus was. He calls himself "a Phœnician of Emesus, son of Theodosius, and descended from the Sun." This is wonderfully interesting, for it can only mean that he was a descendant of the royal house of Egypt, the "Children of the Sun," with whom the Kings of Tyre and Sidon were intimately connected. But classical scholars will not touch these problems, because they refuse to consider classical history as part of an historical whole, as it certainly is. This is the only way to elucidate the text as it should be elucidated, and, until classicists condescend to relate their material to the researches of the ethnologists, we shall remain in the dark.

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FINANCE AND INVESTMENT

MARKET RECOVERY—BANK CHAIRMEN'S SPEECHES—MONETARY POLICY.

THE investment markets have been getting better and better from the moment Mr. MacDonald took office. A good deal of the recovery has been due to the action of the "bears" who, having sold in advance of the fall in prices, hastened to cover their commitments when the uncertainty of the situation was displaced by the accomplished fact. On the other hand, part of it seems to have arisen from the rather livelier interest of the public, who have still some difficulty in finding sufficient employment for funds in trade (though that is better than it was), and have been deprived of the opportunity to subscribe to new capital issues to any important extent, the average amount of the latter over a long period having been something like £15 millions a month. Both these causes might in themselves prove temporary and cut short the recovery in prices. In that case the upholders of British credit in certain sections of the Press (whose principal occupation seems to have been to do it all the damage they could) may not prove so far out in their prophecies of financial woe as they seem to be at present. But if the rise continues the casual observer would no doubt be excused for failing to appreciate in the same degree as his somewhat comfortless advisers the loss to British credit and prestige represented by the departure of Mr. Baldwin on the one hand and the simultaneous entry of Mr. MacDonald on the other.

The selection of the Cabinet has been well received in the City, and even the fears of foreign holders of sterling securities who appear to have been the principal instrument in bringing down gilt-edged prices may have been to a large extent allayed. An outstanding influence, however, in producing the better feeling in markets generally has been the tone of the speeches of our leading bankers at their respective shareholders' meetings recently. These seem to have put new heart in the markets, and even to have encouraged the resumption of new capital issues, such as, for instance, the new Southern Rhodesian loan for £3,000,000 in 5 per cent. stock at 98, and the expected Japanese issue.

What had our bankers to tell us? Mr. Goodenough, the Chairman of Barclays Bank, started the ball rolling. He emphasized the importance of our overseas investments (which came to well over £100 millions in 1923), both as a source of income and as a factor in the restoration of the foreign markets for our export trade. Visualizing a further expansion in the home trade and a concomitant demand for increased credit, Mr. Goodenough evidently thinks that, short of encouraging actual speculation, further demands should be met and no undue limitation of the note issue enforced. He gave it as his opinion that British credit stands firmer to-day than at any time since the war. This was not the sort of thing the alarmists had been looking for.

Mr. Walter Leaf, in the course of his remarks, gave a very clear idea of the strength of the national trade position, and emphasized the vital importance of a Reparations settlement. His account of the situation in Germany, where there were 3,450,000 unemployed, and his allusions to the veiled war which hangs over Europe, produced a most vivid impression. He alluded to the evidence of the last quarter of the past year as promising "better conditions and hopeful prospects," and referred particularly to the decrease in unemployment. The latter question loomed large in all three speeches. Mr. McKenna almost made the subject the chief theme of his address, and went so far as to indicate in logical sequence the links between it and monetary policy. In Mr. McKenna's view, we have deliberately to make up our minds as to what we want in "regard to" money and unemployment.

The subject is so important as to make it desirable to outline very briefly Mr. McKenna's line of thought. Money, he says, is always pressing for use. If there is

more of it trade is stimulated. If the amount is reduced trade is depressed. He shows quite clearly that the amount of money in existence as represented by banking deposits and currency is determined by the joint-stock banks' proportion of cash in hand and at the Bank of England. Thus the nation's purchasing power is dependent upon whether the Bank of England is making loans or is enforcing repayment (in one form or another).

We have seen how, when the volume of money is reduced, prices fall and trade is in consequence depressed. Prices, however, may still fall if more goods are produced and there is no accompanying increase in the volume of money. We should then simply have good business in one direction, but bad business in another, so that from an employment point of view what we made on the swings we should lose on the roundabouts. If there is to be an increase in total employment the banks must obtain additional cash resources, and this can only be effected by the Bank of England letting out more money.

"Shortly stated, the argument is as follows. When national output is below productive capacity the policy should be to let money out; when production is at a maximum the outflow of money should be checked, and if inflationary symptoms have appeared money should be withdrawn. We have deliberately to make up our minds as to what we want. If we mean to get rid of unemployment we must have more money in existence to take up the increased production. If we mean to reduce our present amount of money we shall not escape continued unemployment."

A more admirably lucid interpretation of the true position of monetary policy in relation to trade and employment it would be hard to conceive.

It is to be observed that not one of the bank chairmen deprecated the increase in bank deposits and the recovery in wholesale commodity prices which have taken place since last autumn, when trade began to pick up and unemployment started to fall. Yet all kinds of evils were predicted in some sections of the Press if our official monetary policy of reducing the volume of money and lowering prices were to be suspended. As a fact, the striking point about the recent revival in trade and the resultant absorption of over three hundred thousand workless men and women into employment is that the process dates from the declaration by Mr. Baldwin last autumn to the effect that further deflation was not the policy of the Government. Mr. Leaf in his speech made the impressive point that at the rate of progress up to the middle of December last the number of unemployed in this country would have been brought back to normal by the summer of this year. The mere mention of normality in regard to unemployment is remarkable enough. We have had public men who almost seemed to have regarded a cure as beyond the wit of man to devise. And yet here is actual headway being made on such a scale that one of our leading bankers even contemplates the complete removal of the scourge in the aggravated form in which it has afflicted us for four years. There seems to have been no change at all for the better in general conditions at home or abroad; yet something must have happened. Is there any mystery? Our financial policy down to last autumn had been to contract credit and lower prices, an influence which, as Mr. McKenna tells us, no trade can stand up against. This policy was for the time being abandoned in practice, if not as an official policy to be resorted to as and when opportunity offered. The conclusion that this was the most potent factor in the revival of trade and the decrease in unemployment becomes irresistible when it is recalled that precisely the same sequence of events occurred in the United States down to the autumn of 1921. There were at that time in America no less than 5,000,000 unemployed. It was decided to stop deflating, and within eighteen months there was a shortage of labour.

L. D. W.

NEXT TWO MONTHS MOST CRITICAL PERIOD

This is what Dr. Kennedy, the Chief Administrator of the All-British Appeal wired from Salonica on the 24th January :

"Now making food distributions Western Macedonia in eighty-nine different villages also twenty-three kitchens in operation. Owing frequent snowfall, transport difficult, but distributions fairly well maintained. Still another hundred villages in this area alone unvisited. **Next two months most critical period. Bitterly cold, Salonica to-day—Cannot over-emphasize need clothing. Can you make special blanket appeal?**"

On the previous day, Mr. Henry Morgenthau, formerly the American Ambassador in Constantinople and now Chairman of the League of Nations, Refugee Settlement Commission, wired from Athens :

"GREEK REFUGEE SETTLEMENT COMMISSION

APPEAL URGENTLY

"Charitable assistance refugees. **Half a million without warm clothes, fever sodden and inadequately fed.** Bulk in Macedonia and Thrace where severe winter conditions now exist. Many in tents and housing accommodation inadequate. Gifts of blankets and warm clothes would be most welcome and **would save many lives.** Commission precluded by its statutes from charitable expenditure."

For eighteen months these people have suffered. Now is the critical time. We cannot answer these appeals unless you help us.

It is imperative that Nations should continue to come in. Instead of increasing, they are lessening.

Gifts of Money should be sent to the Hon. Treasurer, Imperial War Relief Fund, 80, General Buildings, Aldwych, W.C.2., which is co-operating with the Save the Children Fund and the Friends' Relief Committee in the All-British Appeal for the Near East.

Gifts of Clothing should be sent to the Fund, c/o New Hibernia Wharf, London Bridge, S.E.1.

(REGISTERED UNDER THE WAR CHARITIES ACT, 1916).



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Its fine delicacy of flavour, its smoothness and sustaining nutriment, make Rowntree's Cocoa a pleasing and popular beverage.

It is quickly prepared and easily digested.

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ARE YOU SATISFIED

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"It is time we helped the German people, and behaved to them as we behaved to the French after the Napoleonic war."—
Very Rev. T. C. FRV, D.D., Dean of Lincoln.

THE GERMAN PEOPLE IN WANT.

The *Times* Berlin correspondent wrote in November : "The immediate prospect in Germany is

WIDESPREAD STARVATION

of those who are least of all responsible for the disasters which have befallen Europe."

**"THE PEOPLE ARE WEAK,
AND HUNGRY
AND EXHAUSTED."**

Observer.

Workers and middle-classes suffer alike. The most helpless victims are the women and children.

A CALL TO GENEROUS BRITAIN !

Your Gift may be sent to the FRIENDS' COUNCIL FOR INTERNATIONAL SERVICE (Carl Heath, Secretary) Room 2, Devonshire House, 136, Bishopsgate, London, E.C.2 which is co-operating in

The British Appeal for Relief in Germany

Gifts of clean clothing should be sent to the Friends' Warehouse, Mc Lean's Buildings, New Street Square, London, E.C.4.

BANK OF LIVERPOOL AND MARTINS, LIMITED.

NINETY-THIRD ANNUAL MEETING.

THE ninety-third annual meeting of shareholders of the Bank of Liverpool and Martins, Ltd., was held at Liverpool on Tuesday last, Mr. W. R. Glazebrook, the chairman, presiding over a large attendance.

The chairman, in moving the adoption of the report and accounts, referred to the loss sustained during the past year by the death of Mr. Edward Norman and Mr. E. L. Somers Cocks. The former was chairman of Martins Bank at the time of its amalgamation with the Bank of Liverpool, and was subsequently chairman of the London board of the combined banks until his death. Mr. Cocks, a partner in the old-established banking firm of Cocks, Biddulph, and Company, became a director on the London board when that firm was amalgamated with the Bank of Liverpool and Martins, Ltd., in 1919, and senior manager of the combined business.

The chairman also referred to the resignation, through ill-health, of Sir James Hope Simpson from the position of general manager of the bank. It had been hoped that a long rest and careful medical treatment would have resulted in Sir James being able to resume his duties, but this hope was not fulfilled, and Sir James's resignation was received with profound regret. Sir James had done great work for the bank in the twenty years during which he had occupied the position of general manager. The bank had made great strides, and, by amalgamation with other banks and the opening of branches, had largely extended its sphere of operations. In 1903, when Sir James became general manager, the total assets were slightly over £13,000,000 and the number of branches was 82. The report now before the meeting showed total assets over £76,000,000 and the number of branches 355. This development and the high position which the bank occupied amongst the financial institutions of the country were due in large measure to Sir James's ability and able guidance. Sir James continued a director on the general board and on the London board, and could still be consulted when occasion arose. Mr. T. Fisher Caldwell had been appointed general manager in succession to Sir James, and the directors had every confidence in making the appointment. Mr. Caldwell had also been elected to a seat on the London board.

Referring to the events of the year, the chairman said the acquisition of the business of the Cattle Trade Bank—acquired as from July 1st last—should prove a useful and profitable adjunct. During the year twenty branches and sub-branches had been opened, and sites for other offices had been acquired.

The profits for the year, after deducting general expenses and making all usual provisions, amounted to £486,965, which was £17,837 less than those of the previous year. The reduction was accounted for chiefly by the fact that profit-earning had been adversely affected by low money rates and less satisfactory conditions of trade. The figure named, added to the sum of £126,099, brought forward from 1922 account, made a disposable balance of £613,064. Out of this £100,000 had been allocated to the bank's reserve fund, bringing that fund up to £1,600,000, £375,822 to the payment of the usual dividends, and £137,242 was carried forward to next account.

Dealing with items in the balance sheet, the chairman said investments showed a reduction of over two millions, accounted for by sales during the year. The profit on these sales had not been brought into the profits of the year, but had been utilized further to strengthen the internal position. He was sure shareholders would agree that this course was a wise one, and that while times were so unsettled it was the right policy for the directors to continue to build up the bank's reserves.

Owing to the suspension of building operations during the war and following years, various schemes for enlarging and improving the branch premises and for building new premises had necessarily to be postponed. Consequently they now had an unusually large programme before them, which included the erection of a new head office building in Liverpool. It was also proposed to erect an important building in Leeds and to transfer to Leeds the administration of the branches in the Halifax district.

Monetary conditions during the past year did not present any striking features. Foreign exchanges had remained in a very unsettled condition, and the alarming depreciation of the chief Continental currencies had made it extremely difficult for manufacturers in this country to obtain buyers for their goods in European centres. The value of sterling in America had fallen heavily since February, one of the contributing factors having been the transfer to New York by Continental countries of balances in London, owing largely to unfounded talk of inflation of our currency, and also, it

was believed, to a feeling of uncertainty as to political developments in this country. The depreciation in the value of the pound in terms of dollars was a serious consideration because of the heavy percentage it added to the cost of this country's necessary purchases from America and to our payments in respect of war debt.

Reviewing trade conditions, the chairman said these had improved during the year, but the extent of the improvement was disappointing, and hopes entertained at the beginning of the year had not been fulfilled. The Board of Trade returns, however, showed a considerable expansion in overseas trade, both in imports and exports, and further evidence of improvement was the welcome reduction in the number of unemployed. There was good hope that from the engineering and other schemes which had been put in hand, and others still to be undertaken, further reductions would be made in the ranks of the unemployed.

Some of our principal trades had again passed through a period of great depression, notably the cotton trade, which, with its numerous allied industries, was of paramount importance to Lancashire. Social and political unrest, lack of world purchasing power, adverse foreign exchanges, and depreciated currencies had all combined to aggravate the position. In addition, the year had been one of considerable difficulty for the importation of raw cotton from the United States. Short supplies, as a result of American crop failures, caused not only violent daily fluctuations but wide variations over longer periods. Frequent days of excited markets and fluctuations of over a penny per pound had brought actual business nearly to a standstill. Owing to the partial failure of the American crop, Egyptian cotton had also experienced wide fluctuations, but mills spinning Egyptian cotton had had a profitable year.

It was instructive to note that while in 1913 America, France, India, Japan, and China had an aggregate spindleage of 13 per cent. below that of the United Kingdom, they now had a preponderance over it of about 9 per cent. A great many of these spindles were engaged on coarse counts, which under present conditions satisfied the needs of impoverished peoples to an increasing extent. As soon, however, as conditions in foreign countries began to ameliorate there would inevitably be a steadier demand for the production of finer goods, in which this country excelled, and it was significant to note that our exports of fancy cloths and specialties to the American continent had shown a considerable increase despite the Fordney tariffs. It was of the greatest importance that increased sources of supply of raw cotton should be opened up so that the industry should not be dependent on the success or failure of the American crop, and it was satisfactory to know that efforts were being made to increase the production of Empire-grown cotton. Other branches of the cotton trade, such as bleaching, dyeing, and finishing, continued to make good profits.

The chairman continued: The other great textile industry, viz., the wool textile industry, has had a satisfactory year, although the expectations held at the beginning of the year were not realized to the extent anticipated. The French occupation of the Ruhr and the collapse of the German mark, together with the continued depreciation in other European currencies, hindered development of the industry in this country. These circumstances, however, did not curtail operations by our Belgian and French competitors, who, as a result of their lower conversion costs and depreciated currencies, have been able to sell yarns and pieces at considerably lower prices than British producers.

Raw material has been the dominating feature, and at the close of the year there was a strong tone and firm prices in all markets, both in this country and at the sources of supply. The outstanding feature has been the remarkable increase in the demand for crossbred wools, which had been practically neglected since the slump in 1920.

At the close of the year there was a considerable improvement in the demand for yarns, and there is also more encouraging news with regard to the piece goods trade. Both on home and export account more business is being done, principally in fabrics made from crossbred wools, and the year closed with looms in the Bradford district better employed than at any time during the past twelve months. The present year opened with great confidence and a general disposition to take a cheerful view of the prospects for 1924.

The coal trade has been one of the few bright spots in British industry during the year. The activity in this trade was due to a large extent to unusual conditions, viz., the French occupation of the Ruhr, which brought about an abnormal demand for British coal. It is satisfactory to be able to record that the output of coal for 1923 exceeded that of 1913, which is regarded as a record year. The prospect for 1924 appears to be good, so far as demand is concerned, but the achievements of 1923 were secured in a large measure by freedom from strikes and disputes, and the outlook for 1924 is marred by the notice given by miners to terminate the present wages agreement.

In the iron and steel industries the acute depression in the shipbuilding industry, emphasized by the boilermakers' dispute, seriously affected demand. The latter part of the year, however, brought improvement. With the announcement of various Government schemes and the placing of large contracts on behalf of the railways and others, coupled with the termination of the boilermakers' strike, the prospects at the beginning of the new year are distinctly good, and the latest production and export figures are encouraging.

In shipping, the state of depression which existed in the previous two years continued in 1923, and the value of tonnage suffered further depreciation. This is a natural consequence of the present unsatisfactory condition of international commerce and of the large increase in the amount of tonnage available as compared with pre-war years. Less tonnage, however, is laid up idle than was the case a year ago, and a considerable number of old vessels have been sold for breaking-up purposes. The depression in shipping was reflected in the shipbuilding and engineering industry, which has passed through one of the worst periods in its history. The outlook for 1924 is reported to be better.

Continuing his review, the chairman said textile machinists had again had a not unprofitable year. In the grain trade international supplies of wheat had been large, and as a consequence prices steadily declined, until the last few months of the year, when an upward reaction took place. Trade had been of moderate volume, and the results not very satisfactory. The timber trade had shown a distinct improvement in 1923, and prices generally were maintained. The building programme of the railway companies and the more healthy signs in the shipbuilding industry had helped, and the new year brought more tangible promise than had been evident for the past three years. From the farmers' point of view the year had been one of difficulty and disappointment, and it closed with the worst outbreak of foot-and-mouth disease known for more than a generation. Compensation had been paid promptly, and on a not ungenerous scale, but the loss of income to the farmer until he was able to restock must be a great strain on his resources. Nevertheless, a note of optimism as to the future was the fact that in some districts, particularly in the North, there was a demand for farms at higher rents, and the price of land and farms generally continued good.

The Chairman continued: In former years it has been customary, and usually possible, following a review of this kind, to give some indication of the prospects for the coming year. To-day, with the uncertain outlook at home and the continued chaotic conditions abroad, it would be rash to attempt a forecast. There is, however, one feature in a most intricate and difficult position which to me stands out pre-eminently, and that is that there can be no great and permanent improvement in trade until there is stability in exchanges which will enable us to export freely. A distinct hope that events are moving in this direction is aroused by the rapid recovery which Austria is making commercially and financially as a result of the reforms inaugurated under the auspices of the League of Nations. Out of a state of

chaos and despair the country is becoming prosperous, and its people industrious and hopeful; its currency is becoming stabilized, and the expectation that the National Budget would be made to balance in 1924 seems possible of realization. The experiment on similar lines about to be made in the case of Hungary appears to have good prospects of achieving equal success.

Other countries are watching these experiments, and it is perhaps not too much to hope that we have here the small beginnings which will lead to a return to sound financial principles by the larger European countries. Good results may also be looked for from the labours of the committees now sitting in Paris to investigate the financial condition and resources of Germany.

The outstanding feature in national finance during the past year has been the funding of our huge war debt to America. There is no doubt that the prompt settlement of this matter, although placing an enormous additional burden on an already overtaxed people, has had a beneficial effect, not only in increasing the friendly relations which exist between the two nations, but also in greatly enhancing the credit of this country. Had all European countries which were crippled by the war made the same efforts to rehabilitate themselves as this country has done, and as heavy sacrifices to meet their obligations, I feel sure the difficulties which still confront us and which retard the re-establishment of international amity and world trade would have long since disappeared.

Before concluding I desire to express the directors' appreciation of the loyal and efficient services rendered by the staff. Their good work during the year has largely contributed to the results we are able to place before you to-day.

Mr. Robert M. Holland Martin, one of the deputy-chairmen and chairman of the London board, in seconding the adoption of the report, paid a very high tribute to the work of Sir James Hope Simpson, not only on behalf of this bank, but of banking generally. His opinions were always sought by London bankers on financial affairs, and by the Treasury, especially during the difficult war years.

The motion was carried.

On the motion of Mr. E. C. Thin, seconded by Mr. J. E. Gordon, Sir Aubrey Brocklebank, Bart., Mr. Walter Lees, Mr. T. Henry Morris, C.B.E., and Mr. J. Arthur Slingsby were reappointed directors of the bank.

Mr. T. Fisher Caldwell, general manager, responding to a vote of thanks to the directors, committee of management, general manager, and other officers for their services during the past year, on the motion of Mr. J. E. Tinne, seconded by Mr. R. T. Cunningham, said it was encouraging to know that after a year's work their efforts were appreciated by the shareholders. It would be regarded with as great satisfaction by the staff as it was by the directors and himself. For himself Mr. Fisher Caldwell thanked the directors for the support and assistance given him, and the staff for their efficient co-operation, which relieved the management of a great deal of its burden. The meeting terminated with a cordial vote of thanks to the chairman.

BANK OF LIVERPOOL & MARTINS LTD.,

Head Office: 7, WATER STREET, LIVERPOOL.

London Office: 68, LOMBARD STREET, LONDON, E.C. 3.

Capital Subscribed	£18,791,120
Capital Paid Up	2,348,890
Reserve Fund and Surplus Profits	1,737,242
Deposits, etc., at 31st December, 1923	64,537,818

355 BRANCHES AND SUB-BRANCHES.

All descriptions of Banking, Trustee and Foreign Exchange Business Transacted.

THE BANK IS PREPARED TO ACT AS AGENTS FOR FOREIGN BANKS ON USUAL TERMS.

MIDLAND BANK LIMITED.

THE ORDINARY GENERAL MEETING of the Shareholders of the Midland Bank Limited was held at the Cannon Street Hotel, London, E.C.4, on Friday, January 25th, 1924, for the purpose of receiving the Report and Balance Sheet, declaring a Dividend, electing Directors and Auditors, and transacting other ordinary business.

The Chairman (The Right Hon. R. McKenna) said: My Lords, Ladies and Gentlemen,—It is more than three years since the returns of unemployment first showed a distressing increase. We are accustomed to the cyclical movement in which good and bad trade follow each other in regular succession, but the duration and intensity of the present period of depression are unprecedented in modern experience. The excessive number of unemployed has been the avowed cause of a premature General Election, and the three great parties in the State have all laid stress upon the need for dealing with unemployment as a principal part of their policy. No subject is of greater importance or more worth careful study, and I propose now with your permission to say something upon it before I deal with the work of the Bank during the past year.

It is unnecessary to dwell upon those causes of bad trade with which we are all familiar. The destruction of accustomed markets through the economic breakdown of a large part of Europe, political disturbance or uncertainty at home and abroad, violent changes from one type of demand to another at the close of a great war, the drain upon the essential supply of capital by overburdensome taxation—all these are conditions gravely injurious to trade and, so long as they persist, cannot fail to retard our full recovery. If I do not refer to them now it is not because I ignore their significance, but because of the limited time at my disposal. The particular influence on trade upon which I propose to speak is that of monetary policy, a matter which I believe to be of much greater importance than is generally recognised and which certainly merits close examination.

MONETARY POLICY DEFINED.

What is meant by monetary policy? Before I answer this question let me define the sense in which I shall use the word money. I understand by it all currency in circulation among the public and all bank deposits drawable by cheque. Usually when we speak of anyone having so much money we include the value of his land, securities, and other property. It is a convenient form of expression, but it is not a strict use of the term. The meaning I am giving to it is confined to what is immediately spendable by the owner, and does not cover the saleable value of property. In this sense it is limited to the total of bank balances both on current and deposit account, together with the total of currency in active circulation.

To define monetary policy in few words, I should say that it is the policy which concerns itself with regulating the quantity of money. As I shall show later, it is controlled by the Bank of England, but the action or requirements of the Government may seriously affect it. If we are to follow the working of a monetary policy and form a judgment upon its merits we must know first how additional money comes into being and how money already created ceases to exist; and, secondly, we must understand what are the consequences of a variation in the amount of money outstanding in the different circumstances which may attend the change.

HOW MONEY IS CREATED.

Under the system which prevails in our country, there is only one method by which we can add to or diminish the aggregate amount of our money. Gold coin is no longer minted, and additional paper currency is not issued except to meet the demands of the public. When the public require more currency they draw it from the banks, and deposits are reduced as currency in circulation is increased. The amount of money in existence varies only with the action of the banks in increasing or diminishing deposits. We know how this is effected. Every bank loan and every bank purchase of securities creates a deposit, and every repayment of a bank loan and every bank sale destroys one.

People often talk of money going abroad or of foreign money coming here, but as a fact when gold is not in use money is incapable of migration. The title to money may change. An individual may sell his sterling to an American for dollars, but the American will then own the sterling in England and the Englishman dollars in the United States. If there is pressure to sell sterling the exchange value of the £ will be lowered and temporarily the burden of British payments in America will be increased. But the change of ownership does not remove the money, which necessarily remains and can only be expended where it was created. No exchange transaction, no purchase or sale of securities,

no import of foreign goods or export of our own can take money out of the country or bring it here. Those who wish to be meticulous may say that British travellers sometimes carry currency notes and change them in foreign countries, but the total of such transactions is too trifling to be taken into account. Bank loans and their repayment, bank purchases and sales are in substance the sole causes of variation in the amount of our money.

While banks have this power of creating money, it will be found that they exercise it only within the strict limits of sound banking policy. Anyone who studies the monthly statements of the London Clearing Banks will see that these banks keep a reserve of cash fairly constant in relation to the amount of their deposits. If banks increased their loans and investments the result would be to increase the aggregate amount of their deposits, but to add nothing to their cash resources. The proportion of cash to deposits would be reduced and, in the judgment of those responsible for the management of the banks, would be less than sound banking principles dictated. Thus a limit is placed on a bank's power of lending by the amount of its cash, and, so long as the canons of conservative banking are conformed to, additional loans can only be made if this cash is increased. Banks lend or invest up to the full amount permitted by their cash resources, but they do not go beyond that point.

HOW BANK CASH IS CREATED.

If what I have said so far is accepted, it follows that any variation in the amount of money in the country is conditional upon a variation in the aggregate amount of cash held by the banks. The next problem to consider, then, is the method by which this cash is increased or diminished. There are only two ways of adding to or reducing the cash resources of the banks. The first arises from the action of the public. If less currency is required in circulation and the surplus is paid into the banks their cash resources are increased; and conversely, if more currency is required in circulation and larger amounts are withdrawn from the banks, their cash resources are reduced. There are daily fluctuations in the cash held by the banks due to this cause, but the variation on this account is of minor importance. Over longer periods of time, if trade is improving or declining, or if inflation or deflation is in active operation, the difference in the amount of currency required by the public may be considerable, and the consequent reaction on the cash resources of the banks will be of first-rate importance. I shall deal with this subject later on, but for the moment it is sufficient to note that the currency requirements of the public are the first cause of variation in the amount of cash held by the banks.

The second and principal cause of movement is action by the Bank of England. We have already seen that every loan or investment by a bank creates a deposit, but a loan or purchase by the Bank of England has a further effect. It creates bank cash, or in other words adds to the banks' cash resources. Let me explain how this happens. Suppose the Bank of England invests a million in War Loan. The seller receives a draft for £1,000,000 and pays it into his own bank, which will consequently increase its balance with the Bank of England by that amount. Actually a million of bank cash will have been created which will become the basis of new bank loans. The repayment of a Bank of England loan or a sale of securities by that Bank has the opposite effect. It cancels so much bank cash and forces the banks, unless they abandon their established ratio of cash to deposits, to call in loans or sell investments. The Bank of England may make loans or enforce repayment by modifying or increasing the severity of its terms. It may buy gold or sell gold; it may buy securities or sell securities. Every transaction of this kind leads to a variation in the amount of money in the country, and by this means exercises a powerful influence on trade.

MEANING AND IMPORTANCE OF MONETARY POLICY.

We can appreciate now the meaning and importance of monetary policy. Money, except the customary minimum which we carry in our pockets, is never left idle; it is always pressing for use. If there is more of it, trade is stimulated; if the amount is reduced, trade is depressed. One man may tell you to increase it indefinitely and keep trade booming. But if you do, prices will soar indefinitely. You will first suffer innumerable social evils, and finally the extreme depreciation of your currency will gravely impair your power to trade. Someone else may urge you to reduce the amount of money and bring down prices to pre-war level or to such other arbitrary level as he happens to think the right one. Yes, and trade will remain depressed and the unemployed will be with you all the time. Moreover the burden of the National Debt with the higher value of money will become intolerable and no Chancellor of the Exchequer will be able to balance his budget. Inflation and deflation, the whirlpool and the rocks, lie on either side of us, and if

we are to avoid shipwreck the controllers of our monetary policy must steer a middle course.

I should have hesitated to discuss a matter which lies in the province of the Bank of England, were it not that I share to the full the high respect and admiration for that institution which are felt not only in the City of London but throughout the world. I disavow any thought of criticism; I am simply endeavouring to explain. The prudent policy of the Bank of England has been for scores of years the backbone of the credit structure of this country. No institution has ever been conducted over a long period of time with a more unselfish regard for the true interest of the public or with a stronger desire to maintain the highest principles of sound finance. But the Bank of England is not entirely a free agent, although the independence of the central bank of issue should as far as possible always be preserved. It is less independent to-day than before the war. It is no longer the principal authority for the issue of paper currency. It is bound to conform to the requirements of the Government, and these requirements have expanded enormously with the growth of the debt and of national expenditure. The monetary policy which the Bank of England might wish to pursue may be overruled by Government necessities. All I can do, or wish to do, is to lay before you the considerations which must be present to the minds of those responsible for framing the policy.

TRADE REVIVAL DEPENDENT ON BROAD CASH BASIS.

I think it will be generally accepted that if the price level be unchanged an increase in the volume of trade will require an increase in the volume of bank credit and currency—that is to say, of money. The proposition stated in these general terms is, of course, subject to qualifications, none of which, however, really affect its essential truth. It takes no account, for instance, of a possible increase in the private credit given between traders, or of a quicker turnover which would enable the existing bank credit to do more work. The latter is, indeed, a factor of some importance, as if the banks sold part of their investments and lent the proceeds to trade, turnover would certainly be accelerated. But in present circumstances I do not think it can be disputed that a considerable improvement in trade must take place before we are likely to have any great change in the rate of turnover or any noticeable increase in private credit, and we may therefore take the proposition as it stands without dwelling further on its qualifications.

Let me repeat my statement. If the price level be unchanged an increase in the volume of trade will require an increase in the volume of money. You will observe that I say "if the price level be unchanged," a condition which makes the proposition really a truism. For if trade improves and more goods are produced, prices will fall unless there is an increase in money. Purchasers with the same amount of money will be competing for a larger supply of commodities, and these conditions must inevitably bring about a drop in prices. It follows that when trade is improving and the unemployed are being absorbed into industry, if the price level is to remain stable, monetary policy should be directed to an increase in the supply of money.

We can take an illustration from current events. Large orders have been given recently by the railway companies with the express intention of finding more employment. The firms which have taken these orders will require more credit from the banks for the purpose of paying wages and buying raw materials. If the banks are to give this credit and at the same time maintain their recognised cash standards, one of two things must happen: either their cash resources must be enlarged, or they must restrict their grants of credit in other directions. But if other borrowers for industrial purposes have their credits cut down, their capacity to trade will be reduced, and we shall lose in employment in their trades what we gain in employment on the railway orders. If there is to be an increase in the total of employment the banks must obtain additional cash resources, and this can only be effected by the Bank of England letting out more money.

The essential condition to justify an addition to the supply of money is that a greater volume of goods should be in course of production. If more workpeople are employed more goods will be produced, and we have therefore in the movement of the figures of the unemployed one of the indications which should direct our policy. We must be careful, however, to recognise that the unemployed returns include a certain number of unemployable, and that when we get down to this residuum an additional supply of money will not be accompanied by an increase of production. The only result will be higher prices, and a true condition of inflation will arise. Shortly stated, the argument is as follows. When national output is below productive capacity, the policy should be to let money out; when production is at a maximum, the outflow of money should be checked and, if

inflationary symptoms have appeared, money should be withdrawn.

We must remember that however unpropitious trade conditions may be, human energy and enterprise are constantly striving for new markets, more effective organisation, easier and cheaper processes of production. Amongst an active and progressive people trade is always trying to recover, and it will get its way even in the most unpromising conditions if it be allowed free play. But no trade can stand up against a continued decline in the purchasing power of the public. Less money means lower prices or less production, or both, and orders will be withheld so long as there is an expectation that prices will fall. We have deliberately to make up our minds as to what we want. If we mean to get rid of unemployment we must have more money in existence to take up the increased production; if we mean to reduce our present amount of money we shall not escape continued unemployment.

Ups and downs in trade we are bound to have, but wise monetary policy can always prevent the cyclical movement from going to extremes. The speculative excesses of an inflationary boom and the cruel impoverishment of a prolonged slump can both be avoided. They are not necessary evils to which we must submit as things without understandable or preventable cause. They may at least be mitigated, as indeed we can see from our own experience. Although we suffered from booms and slumps before the war we never had them in the extravagant degree we have since endured. There existed in pre-war days a check which, though fortuitous and inadequate, sufficed at least to prevent the worst excesses. That check we have now lost. It arose from our monetary system, but it came to an end on the passing of the gold standard and the introduction of the Treasury Note.

GOLD AS PRE-WAR BASIS OF CREDIT.

When we examine the actual working of our pre-war monetary system we discover that the operations necessary for the maintenance of the gold standard had an effect extending far beyond the sphere of sound currency. The wider results may be regarded as a by-product, but the fact remains that these operations were a principal element in regulating the cash resources of the banks. I have already explained that an expansion of bank credit is an essential accompaniment of sustained trade revival; and further that additional bank credit requires an increased cash basis which can only be furnished by a loan or purchase by the Bank of England. Before the war gold was constantly flowing into London, and if it was tendered at a fixed price to the Bank of England that institution was compelled to buy it. Here we had a purchase by the Bank of England creating additional bank cash and enabling the banks to make additional loans. The purchase was not made with this object in view; it was part of the working of the system with London as the world's free market for gold. But its effect, nevertheless, was what I have described. It is unnecessary now to discuss the measures adopted by the Bank of England to accelerate or retard the flow of gold. For our present purposes it is sufficient to observe that gold was in fact constantly coming into the country and was bought by the Bank of England. The flow of gold into London provided a potential reserve which was always available as a basis for the creation of additional credit for trade purposes.

GOLD NO LONGER FUNCTIONS.

A particular feature in the working of the pre-war system stimulated the demand of the Bank of England for gold at the time when its purchase was most essential for trade expansion. If conditions were such that more currency was required in circulation the Bank of England was compelled to buy gold in order to maintain its reserve with the necessary consequence of increasing the cash resources of the banks. But mark what happens to-day. Take the conditions as we actually know them. Trade has been bad for a long time, but signs of improvement have begun to show themselves. Bank advances have increased, with the inevitable result that there has been a demand by the public for more currency. We have already seen, however, that when additional currency goes into circulation, the cash resources of the banks are reduced and their power to lend is diminished. No gold is now bought as formerly by the Bank of England, and unless that institution makes additional loans or investments, there is an automatic throttle on the expansion of bank credit and the trade revival must be brought to a standstill.

In present circumstances, therefore, it is only by wise action on the part of the Bank of England that the restriction on trade revival can be removed. The increase in bank deposits during recent months shows that monetary policy has been directed to creating the additional money necessary to carry a larger volume of production. Although external conditions have shown no amelioration trade has been improving, and had this policy not been adopted the growth

of deposits would soon have been arrested for want of a sufficient cash basis and the revival would have been checked. In existing conditions conscious policy is necessary to achieve the results formerly produced by the machinery of our currency control.

In the working of our credit system it would simplify matters if the right of note issue in England were again placed exclusively in the hands of the Bank of England, and for my part I would gladly see this done. I would go further and extend the monopoly to cover the whole of the United Kingdom, though I know this would raise the question of compensation to the Scottish and Irish Banks which now issue their own notes. The amount and conditions of what is called the fiduciary issue would have to be settled, and there might be a difference of opinion as to whether this sum should be fixed or should vary with the amount of gold held in the Issue Department of the Bank of England. A competent Committee, however, could be trusted to come to a right conclusion on this important point. In other respects I see no reason for thinking that the change would present any very serious difficulty. The reasons which existed in 1914 for issuing currency notes instead of extending the Bank of England's right of issue have no longer any weight, and we are not now concerned to determine whether those reasons were good or bad.

MONETARY INFLATION AND PRODUCTIVE CREDITS DISTINGUISHED.

Before I conclude this part of my address let me make one further observation. Many people look upon any increase in the amount of money as inflation. They fail to observe the distinction between the different kinds of bank loans which create additional money and denounce them all in one sweeping judgment. When a Government shrinks from raising sufficient revenue by taxation to cover its current expenditure and makes good the deficiency by borrowing from banks, I agree that inflation of this kind deserves unqualified condemnation. It leads to a depreciation of the currency, and I need not dwell upon the social and commercial evils that must befall a nation in these circumstances. But a bank loan to a manufacturer or merchant, as the result of which more goods are brought into existence and placed upon the market, is on a different footing. In the first case the loan remains outstanding after the proceeds have been spent; in the second, when the goods have been produced and sold, the money received for them is available for repayment of the bank loan, or, to use a common phrase, the loan is self-liquidating. There is a distinct limit however to the justifiable creation even of productive credits. As soon as there is sufficient money to carry the full volume of production of which the nation is capable, no more should be created and the repayment of past loans should balance the extension of new ones. I hesitate to apply the term inflation to additional trade loans of this nature because of the evil associations of the word; but whatever name we give to this expansion of credit, it is indispensable to the proper functioning of our commercial system and is imperatively needed when trade is depressed and unemployment general.

OUR OWN BANK.

I turn now to the story of the progress of our own Bank. The past year has been eventful. We have made a most desirable alteration in our title, a change which has been generally approved by shareholders and customers. There is every prospect that our present short and distinctive name will assist us in the further expansion of our business.

Our Balance Sheet, which has been circulated with the Directors' Annual Report calls for brief mention before I conclude my address.

The amounts of our *Paid-up Capital and Reserve Fund* are unaltered as compared with a year ago. There will shortly be an increase in both items when the exchange of shares as between ourselves and the shareholders of the North of Scotland Bank is complete. The paid-up capital will then be increased by about £1,000,000.

In the course of twelve months *Current, Deposit and other Accounts* have increased by nearly 6 millions to £360,267,723. The year 1923 started with prospects of some revival in trade, which unhappily were quickly doomed to extinction. In the autumn however business began again to improve and, as I think you will agree, our own figures indicate that trade is now on a wider basis. I do not venture to prophesy, but I can say that, if there is no interference with methods and systems built up on the accumulated experience of generations, we may look for a quite considerable expansion.

The impression that trade is improving is confirmed at first sight by the notable increase in our *Acceptances and Engagements on account of Customers*, but here I must warn you against a hasty conclusion. Our acceptances and engagements now stand at £36,552,607 as compared with £25,862,341 at the end of 1922, but the greater part of this increase is due to a rise in engagements resulting from the growing volume of business in forward exchange. The actual increase

in the acceptances, representing an improvement in the volume of foreign trade, amounts to £2,844,453.

Our *Advances to Customers and other Accounts* have risen by nearly 6½ millions to a total of £188,737,732. The present figure, which does not represent the highest that has appeared in our published balance sheets, shows that we are, as you know, essentially a traders' bank. We feel it incumbent upon us to assist our trading customers to the full limit of banking prudence.

THE MANAGEMENT AND STAFF.

I should be lacking in recognition of the obligation of my office as Chairman if I failed to perform what is always to me a most agreeable duty. I am indeed fortunate in being able to combine with that duty an expression of personal esteem for the manner in which the staff of the Bank have assisted our Managing Directors, Mr. Hyde and Mr. Woolley, in producing what must be to you, as it is to me, a most satisfactory result of the year's working. With conspicuous managerial ability supported by the loyal and unremitting services of a competent staff such a result is less a matter for surprise than for sincere gratitude to those who have achieved it. We have a staff of whom we are proud.

The Report was adopted, and the proceedings terminated with a vote of thanks to the Chairman.

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FREDERICK HYDE, Esq.	EDGAR W. WOOLLEY, Esq., <i>Joint Managing Directors.</i>	

December 31st, 1923

Authorised Capital	- - - - -	£45,200,000
Subscribed Capital	- - - - -	38,117,103

LIABILITIES

	£
Paid-up Capital	10,860,852
Reserve Fund	10,860,852
Current, Deposit & other Accounts (including Profit Balance)	361,822,336
Acceptances and Engagements	36,552,607

ASSETS

Coin, Notes & Balances with Bank of England	54,298,126
Balances with, and Cheques in course of Collection on other Banks in Great Britain and Ireland	14,959,762
Money at Call & Short Notice	16,187,565
Investments	41,890,168
Bills Discounted	58,418,748
Advances to Customers & other Accounts	188,737,732
Liabilities of Customers for Acceptances & Engagements	36,552,607
Bank Premises	5,492,249
Shares of Belfast Banking Company Ltd. & The Clydesdale Bank Ltd.	3,259,690
Shares of The London City and Midland Executor and Trustee Company Ltd.	300,000

Copies of the Balance Sheet, audited by Messrs. Whinney, Smith & Whinney, Chartered Accountants, may be obtained at any Branch of the Bank

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